
SECTION 6

BUDGETING AND FINANCIAL MANAGEMENT

6.05 REPORTING ENTITIES - POLICY ON FINANCIAL REPORTING

AUTHORITY: *FINANCIAL ADMINISTRATION ACT*

ADMINISTRATION: TREASURY BOARD SECRETARIAT

EFFECTIVE DATE: JUNE 2024

6.05 REPORTING ENTITIES - POLICY ON FINANCIAL REPORTING

(1) PURPOSE

The *Financial Administration Act* (FAA) outlines the following:

- (a) Government as an entity includes the departments, Crown corporations, education authorities and commissions set out in the Schedules to the FAA; and
- (b) sets out a framework for financial and annual reporting by the various reporting entities which make up Government.

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) for which funds are appropriated directly or within a department unit and applies as follows:

- Schedule “A” - Departments
- Schedule “B” - Crown corporations
- Schedule “C” - Education Authorities
- Schedule “D” - Commissions

(3) DEFINITIONS

- (a) “**Comptroller**” means the person appointed as Comptroller under Section 14.03 of the FAA.
- (b) “**Crown corporation**” means a corporation as defined under Section 1(h) of the FAA.
- (c) “**FAA**” means the *Financial Administration Act*.
- (d) “**reporting entity**” means an organization as defined under Section 1(s) of the FAA.

(4) POLICY

- (a) In accordance with Section 70 of the FAA, all reporting entities shall, with respect to each financial year:
 - (i) Prepare audited financial statements which include a balance sheet, a statement of income and expense, a statement of changes in financial position and such other information in respect to the financial affairs of the reporting entity as the appropriate Minister, Treasury Board or the Comptroller may require; and

- (ii) **Within three (3) months** after the termination of the financial year, submit the **audited financial statements** through the appropriate Minister to the Secretary to Treasury Board, the Comptroller and the Auditor General.
- (b) The Province has an enterprise financial information system as the standard financial information system for the Government of Prince Edward Island. In consultation with the Comptroller's Office, Crown corporations are expected to use the Province's Enterprise Financial Information System, as a first consideration, when replacing their existing accounting system. If the preferred system is not the standard enterprise financial system, the Crown corporation must seek Treasury Board approval to use an alternate system prior to implementation.

(5) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Secretary to Treasury Board or their delegated officer who will make an interpretation or refer the matter to Treasury Board, if a Board decision is deemed necessary.