
SECTION 6

BUDGETING AND FINANCIAL MANAGEMENT

6.06 DELEGATION OF SIGNING AUTHORITY

AUTHORITY: *FINANCIAL ADMINISTRATION ACT*

ADMINISTRATION: DEPARTMENT OF FINANCE
TREASURY BOARD SECRETARIAT

EFFECTIVE DATE: JUNE 2024

6.06 DELEGATION OF SIGNING AUTHORITY

(1) PURPOSE

The Legislative Assembly, through the *Financial Administration Act* (FAA) and the *Appropriation Act*, appropriates the supply of public monies for expenditure on Government's many programs and services. The overall responsibility for management of these public monies rests with Executive Council (and/or Treasury Board, in certain areas), with responsibility for expenditure for specific programs and services resting with the Departmental Minister/Deputy Head.

Sections 39 and 40 of the FAA permit payments only upon the requisition of the appropriate Minister or person authorized by them, and in the case of payment for work performed, goods supplied or services rendered, only when such person has certified that the work has been performed, goods supplied or services rendered.

This policy is intended to provide direction and guidelines to Departments with respect to the delegation of authority:

- to commit/incur expenditure;
- to approve payments and receive monies; and
- to approve personnel-related transactions.

(2) APPLICATION

The application of this policy is referenced to the schedules of the FAA and applies as follows:

- Schedule "A" - Departments except the Legislative Assembly
- Schedule "B" - Crown corporations
- Schedule "C" - Education Authorities
- Schedule "D" - Commissions

except to the extent that their enabling legislation may incorporate alternate requirements such as Ministerial or Board Authority.

While this policy **does not apply** to the Legislative Assembly or to Reporting Entities subject to alternate legislation, **the spirit and intent** of the policy should serve as a **guideline** for these entities in developing their own policies. Reporting Entities that develop policies differing from Treasury Board require approval of Treasury Board.

(3) DEFINITIONS

- (a) "**Credit/Service Authorizations (CSAs)**" are used by the Department of Social Development and Seniors to meet emergency client needs.
- (b) "**Department(s)**" means departments, Crown corporations, agencies and commissions as set out in the schedules to the FAA.

- (c) **“Deputy Head”** means the Deputy Minister of a department or the Chief Executive Officer of a Crown corporation, agency or commission.
- (d) **“Financial”** the financial section 5(a) pertains to approval of financial documents including Invoice Approval Forms, Journal Vouchers/GLDIs, Cash Deposits and Purchase Requisitions. Notwithstanding that CSAs are financial-type documents, their purpose/use is different, and they are explained under a special subsection.
- (e) **“Financial Expenditure Transactions”** includes all payments of money and charges against expenditure, General Ledger and revenue accounts.
- (g) **“Personnel Forms”** fall into two categories:
 - (i) forms that are financial in nature in that they affect the amount of the payroll, including Personnel/Payroll Transaction Forms and Employee Time Records; and
 - (ii) forms that are not financial in nature and pertain to employee benefits, including Leave Applications and Leave Cancellation Forms.
- (h) **“Temporary CSA Appointment”** means a temporary appointment to the casual division made under the *Civil Service Act* (normally for a period in excess of six months).

(4) PRINCIPLES

- (a) Proper signing authorization for various levels of an organization is essential to ensure that decisions within the organization are approved by the appropriate management levels and that sufficient appropriate documentation exists to support the recording of transactions and disbursement of funds.

More specifically, by signing the authorization document, the individual attests that:

- (i) the transaction falls within the scope and purpose of the account charged;
 - (ii) the amount is correct;
 - (iii) sufficient funds are available; and
 - (iv) the payee is entitled to the payment.
- (b) A basic expenditure control principle is that there must be two officials involved in each transaction - one who prepares the document and one who authorizes it.
 - (c) No person other than a Minister or Deputy Head should exercise signing authority where that person is the payee. Exceptions to this general principle may occur for:

- (i) approval of Invoice Approval Forms reimbursing employees for travel claims where the completed travel claim has been approved by an official who is a supervisor of the employee; or
- (ii) custodians of imprest funds in locations where there are insufficient personnel to divide responsibility.
- (d) As a general principle, an employee who has been delegated signing authority shall not re-delegate such authority. Notwithstanding the above, a Deputy Head may authorize employees in director positions to re-delegate.
- (e) All changes to financial or personnel type documents must be initialled by the individual having signing authority.

(5) POLICY

- (a) Financial:
 - (i) Financial expenditure transactions up to and including \$250,000 may be approved by any position so delegated by the Deputy Head.
 - (ii) The Deputy Head may delegate different levels of signing authority to various positions commensurate with the duties and responsibilities of the position.
 - (iii) All financial expenditure transactions in excess of \$250,000 must be approved at the level of Deputy Head.
 - (iv) The Deputy Minister of Finance may delegate signing authority in excess of \$250,000 on journal vouchers/GLDIs and payments associated with the administration of payroll (e.g., Employee Benefit Plans and Statutory Declarations), pension funds, investments and banking, provided such transactions are the responsibility of the Minister of Finance and in accordance with approved accounting policy and practice. The maximum amount of the signing authority delegated must be stated in the delegation for each type of transaction.
 - (v) To artificially split up a financial expenditure transaction to avoid the requirement for the next level of signing authority is in contravention of the spirit and intent of this policy.
 - (vi) Signing authority for pay lists is determined by the highest individual payment.
 - (vii) Approval of financial revenue transactions may be delegated by the Deputy Head to any position.
 - (viii) Evidence of signing authority is a signature. Initials only are not acceptable.

- (ix) A Deputy Head may delegate signing authority on specific accounts to another Deputy Head.
- (x) It is the responsibility of the Department to monitor signing authority delegated within the Department. The Department of Finance, through its internal control function, is responsible for ensuring that the signee is an authorized signee for transactions of that department, and for ensuring that transactions in excess of \$250,000 are signed by the Deputy Head.

While the Deputy Head has discretion to delegate signing authority to certain employees up to various threshold levels within the \$250,000 limit, the Comptroller's Office is not responsible to verify adherence to these "thresholds".

- (xi) Consistent with Government's approach to streamline its financial and administrative systems, and in support of the Enterprise Financial Information System, the Comptroller may require the Deputy Head or designate to enter into an agreement which acknowledges the Department/Agency's responsibility to exercise a "duty of care" that will ensure compliance with the intent of Sections 38, 39 and 40 of the *Financial Administration Act*.

(b) Credit/Service Authorizations (CSAs):

- (i) Signing Authority for CSAs may be delegated by the Deputy Head. Different levels of signing authority may be delegated to various positions.
- (ii) Deputy Heads are requested to exercise prudence regarding the number of employees to whom signing authority for CSAs is delegated.

(c) Scope:

It is intended that subsections (a) and (b) above apply to General Ledger as well as to appropriated expenditure and revenue accounts.

(d) Personnel:

- (i) The authority and authorization required for personnel appointments is as follows:

<u>Appointment Type</u>	<u>Authority</u>	<u>Authorization</u>
Executive/Senior Comp Plan	Order-in-Council	Clerk of Executive Council
Provisional	<i>Civil Service Act</i>	Designate of the Public Service Commission
Probationary	<i>Civil Service Act</i>	Designate of the Public Service Commission
Permanent	<i>Civil Service Act</i>	Designate of the Public Service Commission
Temporary CSA Appointment	<i>Civil Service Act</i>	Designate of the Public Service Commission
Employment Contract	Department/Agency	Minister
Temporary/Relief/Student	Department/Agency	Deputy Head/Delegate

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- (ii) Personnel/Payroll Transaction Forms and Leave Cancellation Forms must be authorized by the employing authority, while Leave Application Forms and Employee Time Records must be authorized by the employee's supervisor and the employing authority. The employing authority is the Minister or Deputy Head, who may delegate signing authority for personnel forms to another official.
 - (iii) The administration of discipline is the responsibility of the Deputy Head. With the exception of demotions and dismissals, this responsibility may be delegated within the Department.
 - (iv) For more information regarding personnel transactions, forms and procedures, refer to the Public Service Commission.
- (e) Other Documents:
- (i) Treasury Board submissions must be signed by the Minister and by the Deputy Head. All submissions must also be reviewed and initialed by the responsible Director of Finance/Chief Financial Officer and Communications Officer prior to consideration by Treasury Board.
 - (ii) Requests for Special Warrants must be signed by the Minister responsible for the Department placing the request.
 - (iii) Appropriation Transfer and Revenue Transfer Forms must be signed by the Deputy Head or other such Departmental official authorized by the Deputy Head.
 - (iv) Signing authority for Account Name Update forms may be delegated by the Deputy Head to any position (usually the Departmental Administrator).
- (f) Treasury Board Authorizations:
- (i) Treasury Board authorization is required for the following types of transactions:
 - (a) awarding of tenders on which the price is stated to be in excess of \$250,000, in accordance with Regulations to the *Procurement of Goods Act*;
 - (b) all contracts and agreements (new and renewals) in which the contract value is in excess of \$250,000 (in accordance with Section 13.02 of the Manual) with the exception of capital project contracts within approved Capital Budget (in accordance with Section 7.02 of the Manual) or if an exception has otherwise been authorized by Treasury Board or statutory authority otherwise exists;

- (c) leases of property and/or premises (new and renewals):
- with an annual contract value in excess of \$100,000; or
 - with a term in excess of three (3) years and with a total contract value (for the full term) in excess of \$300,000.

The Department of Transportation and Infrastructure requires the process as described in Section 8.03 of the Manual be followed when negotiating new lease agreements.

- (d) leases of equipment (new and renewals):
- with an annual contract value in excess of \$100,000; or
 - with a term in excess of five (5) years, with a total contract value in excess of \$500,000;
- (e) purchases of land and/or buildings by Departments, with the exception of lands purchased by the Department of Transportation and Infrastructure for highway purposes; and
- (f) purchases of land and/or buildings with a value in excess of \$100,000 being purchased by any Crown corporations listed in schedule B to the FAA.

- (ii) Treasury Board authorizations are documented by a Treasury Board Minute subsequent to presentation of a Treasury Board submission duly signed by the appropriate Minister and Deputy Head.

(g) Travel Authorization:

While the travel policy is set out in more detail in Section 17 - Travel Policies of the Manual, the following is the required authorization:

- (i) In-Province Travel - Supervisor/Delegated Officer;
- (ii) Travel **within** Canada and Continental U.S.A. - Deputy Head and Chief of Staff;
- (iii) Travel **outside** Canada and Continental U.S.A.- Minister and Chief of Staff.

(6) **PROCEDURES**

- (a) Annually, by June 30th, all Deputy Heads must provide to the Comptroller or their delegated officer, a listing of all signing authority delegations for financial (including out-of-province travel), CSA and personnel (financial category) transactions.

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- (b) Annually, by June 30th, all Deputy Heads must provide to the Chief Executive Officer of the Public Service Commission or their designated officer, a listing of signing authority delegations for personnel transactions.
- (c) The annual signing authority listings referred to in (a) and (b) above, should include, as a minimum, the information listed in Attachment 6.06-I Minimum Information Required for Signing Authority Delegation Listings Prepared by Deputy Head of the Treasury Board Policy and Procedures Manual.
- (d) The Comptroller and the Deputy Minister of Finance must be notified in writing of all changes, including changes of a temporary nature, to designated signing authorities throughout the year prior to implementation of the new designation. The notification must provide, as a minimum, the information listed in Attachment 6.06-II - Minimum Information Required for Change in Signing Authorities.
- (e) The Comptroller must be notified in writing by Deputy Heads of all assignments to Acting Deputy Head positions throughout the year prior to the effective date of the assignment.

(7) INTERPRETATION

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