

1992-93 BILL 63

Fourth Session, 22nd Legislature, 42 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 63

FINANCIAL ADMINISTRATION
AMENDMENT ACT, 1993

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 63

1992-93

FINANCIAL ADMINISTRATION AMENDMENT ACT, 1993

(Assented to _____, 1993)

HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

1 *The Financial Administration Act is amended by this Act.*

2 *Section 1(1) is amended*

(a) by adding the following after clause (b.1):

(b.2) "Crown-controlled organization" means

- (i) an unincorporated board, commission, council or other body that is not a department or part of a department, one or more but less than a majority of whose members are appointed or designated, either by their personal names or by their names of office, by an Act of the Legislature or regulations under an Act of the Legislature, by an order of the Lieutenant Governor in Council or of a Minister of the Crown, or by any combination of them, and that is responsible for the administration of public money or assets owned by the Crown,
- (ii) a corporation that is incorporated by or under an Act of the Legislature, other than a local or private Act, one or more but less than a majority of whose members or directors are appointed or designated, either by their personal names or by their names of office, by an Act of the Legislature or regulations under an Act of the Legislature, by an order of the Lieutenant Governor in Council or of a Minister of the Crown, or by any combination of them, and that

Explanatory Notes

- 1** Amends chapter F-9 of the Revised Statutes of Alberta 1980.
- 2** Adds definitions.

is responsible for the administration of public money or assets owned by the Crown,

(iii) a corporation that is incorporated by or under an Act of the Legislature other than a local or private Act, 50% or more but less than 100% of whose issued voting shares are owned by the Crown or held in trust for the Crown or are partly owned by the Crown and partly held in trust for the Crown, or

(iv) a corporation that is a subsidiary of a corporation referred to in subclause (ii) or (iii) or that is controlled by a corporation referred to in subclause (ii) or (iii) directly or indirectly through one or more intermediary corporations;

(b) in clause (u) by adding the following after subclause (v):

(v.1) the revolving fund established under section 29 of the *Environmental Protection and Enhancement Act*,

(v.2) a revolving fund established or continued under section 21.1,

(c) in clause (u) by adding “or” at the end of subclause (viii) and repealing subclauses (i), (ii), (iv), (vii), (ix), (x) and (xi).

3 Section 6(1) is amended by adding “, Crown-controlled organization” after “Provincial agency”.

4 Section 17 is amended

(a) in subsection (1) by adding “, Crown-controlled organization” after “Provincial agency”;

(b) in subsection (3) by adding “or Crown-controlled organization” after “Provincial corporation”.

3 Section 6(1) presently reads:

6(1) Every public employee, public official, personal service contractor, revenue officer, Provincial agency or agent of the Crown shall furnish to the Treasury Board any information, in the form of a record or otherwise, that the Board considers necessary in connection with the exercise or performance of its powers and duties under this or any other Act.

4 Section 17(1) and (3) presently read:

17(1) Every public employee, public official, personal service contractor, revenue officer, Provincial agency or agent of the Crown shall furnish to the Provincial Treasurer any information, in the form of a record or otherwise, that the Provincial Treasurer considers necessary in connection with the exercise or performance of any of his powers and duties under this or any other Act.

(3) A Provincial corporation shall, on request, furnish a copy of its financial statements to the Provincial Treasurer.

5 *Section 18.1 is repealed.*

6 *The following is added after section 21:*

Revolving
funds

21.1(1) The Treasury Board may by directive establish revolving funds.

(2) A directive establishing a revolving fund may also specify

- (a) the total amount that may be paid into the revolving fund in any fiscal year;
- (b) the maximum amount by which the aggregate of the advances made to the revolving fund from the General Revenue Fund may exceed at any time the aggregate of the amount credited in reduction of the advances;
- (c) the purposes for which the revolving fund may be used;
- (d) the Minister who is to administer the revolving fund and make payments from the revolving fund;
- (e) any other matter the Treasury Board considers necessary.

5 Section 18.1 presently reads:

18.1(1) The Provincial Treasurer shall establish and administer a revolving fund for the Treasury Department.

(2) The Provincial Treasurer may make advances from the General Revenue Fund to the revolving fund of sums that may be required to pay for the acquisition of equipment, supplies and services that may be provided by the revolving fund under subsection (4).

(3) The net amount of advances under subsection (2) less amounts credited under subsection (5) shall not, at any time, exceed \$3 000 000.

(4) The Provincial Treasurer may make payments from the revolving fund to acquire equipment, supplies and services required to provide financial and general management services to the Treasury Department, Provincial agencies and fund administrators and may charge to the Treasury Department, Provincial agencies and regulated funds the cost of the services provided.

(5) The proceeds of or credits for any charges made under subsection (4) to the Treasury Department, Provincial agencies or regulated funds shall be credited in reduction of the advances made under subsection (2).

6 Establishment of revolving and regulated funds.

(3) The Provincial Treasurer, on the request of the Minister who administers a revolving fund, may make advances from the General Revenue Fund to the revolving fund of sums that are required to pay for land, supplies, services or other things that may be acquired by or disposed of using the revolving fund.

(4) Subject to a directive under subsection (2), the Minister who administers a revolving fund may dispose of or supply any land, supplies, services or other things acquired through the revolving fund on any terms and conditions that the Minister considers proper and charge for them.

(5) The proceeds of any charge made by a Minister under subsection (4) shall be credited in reduction of the amount of the advances made by the Provincial Treasurer to the revolving fund through which the land, supplies, services or other things were acquired.

(6) The revolving funds established under the following are continued under this Act as if they had been established by the Treasury Board under subsection (1) and the provisions governing their operation were included in a directive made under subsection (1):

(a) *Department of Culture and Multiculturalism Act*, section 9;

(b) *Department of Education Act*, section 14;

(c) *Department of Forestry, Lands and Wildlife Act*, section 8;

(d) *Department of Public Works, Supply and Services Act*, section 9;

(e) *Department of Tourism, Parks and Recreation Act*, section 10;

(f) *Department of Transportation and Utilities Act*, section 10;

(g) *Financial Administration Act*, section 18.1.

(7) A reference in this or any other enactment to a revolving fund referred to in subsection (6) is deemed to be a reference to the revolving fund as it is continued under this section.

Regulated
funds

21.2(1) A fund that is referred to in a directive or minute issued by the Treasury Board before this section comes into force and that is a regulated fund under section 1(1)(s), including but not limited to the Provincial Judges and Masters in Chambers Pension Fund, is validated and deemed for the purposes of this and any other Act to be a regulated fund from the date on which the directive or minute was issued.

(2) The following funds are deemed to be regulated funds in accordance with the terms in the deed by which they were established from the date on which the deed was made:

(a) Government of Alberta Dental Plan Trust;

(b) Government Employees' Group Extended Medical Benefits Plan Trust.

(3) Notwithstanding this or any other Act, the Provincial Judges and Masters in Chambers Pension Fund referred to in subsection (1) may be invested in the forms of investment referred to in section 50(1) or (1.1).

7 Section 29 is amended by adding the following after subsection (1):

(1.1) If the details in the estimates respecting a supply vote that is approved by the Legislature show an item as a credit or recovery, the vote is deemed to authorize the payment of an amount equal to the aggregate of

(a) the amount appropriated by the supply vote,

(b) the estimated credits or recoveries set out in the details respecting that supply vote, and

(c) on the approval of the Treasury Board, the amount by which the credits or recoveries actually payable to or received by the Crown exceed the estimated credits or recoveries set out in the details respecting that supply vote.

8 The following is added after section 29:

7 Section 29 presently reads:

29(1) Estimates shall contain

- (a) the proposed supply votes that are to be voted on by the Legislative Assembly,*
- (a.1) the amounts to be paid out of the General Revenue Fund to redeem obligations under Part 6 that have original terms to maturity of less than one year to the extent that the obligations are not proposed to be replaced by the incurring of other obligations under Part 6 that have original terms to maturity of less than one year,*
- (b) any other amounts permitted or required to be paid out of the General Revenue Fund pursuant to this or any other Act that are not required to be voted on by the Legislative Assembly,*
- (b.1) the proposed Capital Fund votes that are to be voted on by the Legislative Assembly, and*
- (c) any other information that the Provincial Treasurer considers appropriate.*

(2) Estimates shall be prepared by the Provincial Treasurer.

8 Payments based on agreements under which the Crown receives money that forms part of the General Revenue Fund.

Payments
based on
agreements

29.1(1) A payment from the General Revenue Fund may be made, with the approval of the Treasury Board, if

- (a) money forming part of the General Revenue Fund is held or receivable by the Crown for the purpose of or as a contribution towards payments to be made by the Crown under an agreement to which the Crown is a party,
- (b) the payment is made in accordance with the terms of the agreement, and
- (c) the aggregate of all the payments made is not more than the total amount held or receivable by the Crown under the agreement.

(2) If a payment is made under subsection (1) and money receivable by the Crown under the agreement is not received by the time specified in the agreement, the amount paid from the General Revenue Fund must be charged to a supply vote with the same or a comparable purpose in the next fiscal year after the one in which the money was receivable.

(3) Payments made under subsection (1) shall be reported in the public accounts for the fiscal year in which the payment was made.

9 *Section 50 is amended*

- (a) *in subsection (1)(i.2) by striking out “, cash” and substituting “or cash”;*
- (b) *in subsection (3.1) by repealing clauses (a) and (b) and by adding “is in respect of investing on behalf of any or all of those funds.” after “in the opinion of the Provincial Treasurer,”;*
- (c) *by repealing subsection (3.2).*

9 Section 50(1)(i.2), (3.1) and (3.2) presently read:

50(1) The Provincial Treasurer may, on behalf of the General Revenue Fund, invest in any or all of the following securities and other forms of investment and in rights or interests in respect of any of them:

(i.2) instruments respecting interest, dividends, rates, currencies, indices, mediums of exchange, income, cash or any other instruments approved by the Lieutenant Governor in Council, including, without limiting the generality of the foregoing, exchange agreements, futures agreements, option agreements or rate agreements;

(3.1) In addition to and not in substitution for the Provincial Treasurer's power under section 18.1, the Provincial Treasurer may charge a cost, expense or other payment to the General Revenue Fund, to a fund referred to in subsection (1.2) or to any other fund approved by the Lieutenant Governor in Council if the cost, expense or other payment, in the opinion of the Provincial Treasurer,

10 Section 69 is amended by adding the following after subsection (2):

(2.1) Notwithstanding subsection (2), all debts to which this Part applies, other than debts that are secured or subordinated, rank equally.

- (a) is directly attributable to the investment, evaluation, management or disposal of all or any part of the assets of the fund, or*
 - (b) is directly attributable to the evaluation or analysis of potential investments to be made from the fund.*
- (3.2) An amount charged to a fund pursuant to subsection (3.1) shall not include the administrative costs of the part of the Treasury Department that is responsible for managing investments.*

10 Section 69(2) presently reads:

(2) Money required in connection with Government securities or in connection with money raised pursuant to section 61 other than by the issue of Government securities

- (a) to provide a sinking fund or other means of ensuring repayment,*
- (b) to redeem or repay the principal amount of Government securities or to repay the principal amount of money raised other than by the issue of Government securities,*
- (c) to pay a premium in connection with the redemption of Government securities or the repayment of money,*
- (d) to pay the remuneration and compensation of registrars, transfer agents and fiscal agents whose services are engaged in connection with any matter related to Government securities,*
- (e) to pay the costs, expenses and charges, including the cost of obtaining a rating of Government securities, incurred in negotiations entered into in respect of the raising of money or in the raising of money by the Crown or in the issuing, reissuing, cancelling, redeeming, servicing, paying or managing of obligations in respect of money raised and Government securities issued or reissued in respect of those obligations,*
- (f) to pay interest in respect of Government securities or money raised other than by the issue of Government securities,*
- (f.1) to make the payments required under agreements entered into or activities engaged in by the Provincial Treasurer under section 61(3), and*
- (f.2) to purchase Government securities in order to cancel or reissue those Government securities;*

shall be paid

- (g) from the Loan Fund in respect of money raised pursuant to section 61(1)(a) to the extent that sufficient funds are available in the Loan Fund to meet the requirements,*

11 Section 77(2)(a) is amended

- (a) by adding “a Crown-controlled organization,” after “Provincial agency,”;*
- (b) in subclause (i) by striking out “or the Provincial agency” and substituting “, Provincial agency or Crown-controlled organization”.*

- (g.1) from the Farm Credit Stability Fund in respect of money raised pursuant to section 61(1)(b.1),*
 - (g.2) from the Small Business Term Assistance Fund in respect of money raised pursuant to section 61(1)(b.01),*
 - (h) from the General Revenue Fund in respect of money raised pursuant to section 61(1)(a) to the extent that sufficient funds are not available in the Loan Fund to meet the requirements,*
 - (h.1) from the Capital Fund in respect of money raised pursuant to section 61(1)(a.1) to the extent that sufficient funds are available in the Capital Fund to meet the requirements,*
 - (h.2) from the General Revenue Fund in respect of money raised pursuant to section 61(1)(a.1) to the extent that sufficient funds are not available in the Capital Fund to meet the requirements, and*
 - (i) from the General Revenue Fund in all other cases,*
- except where the payment is made from a sinking fund or by other means pursuant to subsection (1).*

11 Section 77(2) presently reads:

- (2) The public accounts for a fiscal year shall include*
 - (a) for the General Revenue Fund, a Provincial agency, a revolving fund and those regulated funds that the Provincial Treasurer considers appropriate,*
 - (i) financial statements, for the fiscal year of the Crown or the Provincial agency, as the case may be, including*
 - (A) statements showing the financial position, results of operations and changes in financial position,*
 - (B) a statement of the accounting policies followed in preparing the financial statements, and*
 - (C) any other statements, reports, schedules, accounts, notes, explanations and information relating to the financial statements that the Provincial Treasurer may require, and*
 - (ii) repealed 1986 c16 s25,*
 - (b) a summary of expenditures made under each appropriation,*
 - (c) the reports or statements prepared pursuant to sections 28, 32(5), 42, 61(2), 68(2) and 76, and*

12 The following is added after section 81:

Incorporation

81.1(1) No person shall incorporate a Provincial corporation or Crown-controlled organization without the approval of the Lieutenant Governor in Council.

(2) No person, whether on behalf of the Crown or otherwise, shall enter into an agreement or acquire any property without the approval of the Lieutenant Governor in Council if a direct effect of the person's entering into the agreement or acquiring the property is that a corporation becomes a Provincial corporation or a Crown-controlled organization.

(3) A Provincial corporation or Crown-controlled organization shall not be dissolved, liquidated, wound up or disposed of without the approval of the Lieutenant Governor in Council.

(4) A Provincial corporation or Crown-controlled organization shall not acquire a subsidiary corporation without the approval of the Lieutenant Governor in Council.

(5) Subsection (2) does not apply to the acquisition of securities resulting from the realization of a security interest held by the Crown or on behalf of the Crown.

(6) An order of the Lieutenant Governor in Council under this section may be made subject to any terms or conditions the Lieutenant Governor in Council considers appropriate.

13(1) The Auditor General Act is amended by repealing section 1(b).

(2) The Department of Culture and Multiculturalism Act is amended by repealing section 9.

(3) The Department of Education Act is amended by repealing section 14.

(4) The Department of Forestry, Lands and Wildlife Act is amended by repealing sections 8 and 9.

(5) The Department of Public Works, Supply and Services Act is amended by repealing sections 9 and 10.

(6) The Department of Tourism, Parks and Recreation Act is amended by repealing section 10.

(d) any supplementary schedules, statements, explanations and financial statements that the Provincial Treasurer may require.

12 Control over Provincial corporations and Crown-controlled organizations.

13 Consequential amendments.

(7) The Department of Transportation and Utilities Act is amended by repealing sections 10 and 11.

