

*Bill 12*  
*Mr. McFarland*

## **BILL 12**

2004

### **FINANCIAL ADMINISTRATION AMENDMENT ACT, 2004**

*(Assented to* , 2004)

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

#### **Amends RSA 2000 cF-12**

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

**2 Section 1(1)(k) is amended**

- (a) by adding “or” at the end of subclause (ii);
- (b) in subclause (iii) by striking out “other than a statutory appropriation authorizing a payment to a revolving fund, or”;
- (c) by repealing subclause (iv).

**3 Section 2(7) is repealed.**

**4 Section 27 is amended by adding “and the authorization of disbursements” after “expenditures”.**

**5 Section 33 is amended**

- (a) in subsection (1)**
  - (i) by striking out “, fund administrator and revolving fund” and substituting “and fund administrator”;**
  - (ii) by striking out “, fund administrator or revolving fund” and substituting “or fund administrator”;**
- (b) in subsection (2) by striking out “or revolving fund”;**
- (c) in subsection (3)**
  - (i) by striking out “and revolving fund”;**
  - (ii) by striking out “or revolving fund”;**
- (d) in subsection (4) by striking out “or a revolving fund”;**
- (e) in subsection (6) by striking out “, fund administrator or revolving fund” and substituting “or fund administrator”.**

**6 Section 37(4) and (5) are repealed and the following is substituted:**

- (4)** A disbursement must be authorized by an expenditure officer for the relevant department, regulated fund or Provincial agency.
- (5)** An expenditure officer for the relevant department, regulated fund or Provincial agency may authorize a disbursement
  - (a)** before it is made and only if the expenditure officer is satisfied that the disbursement is in an amount that complies with the terms of a contract approved by an expenditure officer or, if there is no contract, that it is appropriate in the circumstances, or
  - (b)** in accordance with regulations made or directives issued by the Treasury Board under section 27.

**7 Section 38(5) and (6) are repealed and the following is substituted:**

(5) A disbursement must be authorized by an accounting officer for the relevant department, regulated fund or Provincial agency.

(6) An accounting officer for the relevant department, regulated fund or Provincial agency may authorize a disbursement

(a) before it is made and only if the accounting officer is satisfied that

(i) the disbursement is authorized by an expenditure officer,

(ii) in the case of an expenditure,

(A) the expenditure is for a purpose authorized by the applicable appropriation, and

(B) there is money available in the applicable appropriation to pay the amount required,

(iii) in the case of a disbursement that is not an expenditure, the disbursement is consistent with the purpose for which the money is available and there is money available to pay the amount required,

(iv) if the payment is for goods or services, the goods have been received or the services provided, and

(v) the amount of the payment is correct,

or

(b) in accordance with regulations made or directives issued by the Treasury Board under section 27.

**8 Sections 40 and 41 are repealed and the following is substituted:**

**Management and pooled investment of funds**

**40(1)** In this section, “participant” means a person whose participation in the contractual arrangements for the management and pooled investment of surplus cash referred to in subsection (2)

- (a) is specifically authorized by an enactment, or
- (b) is approved by the Minister responsible.

(2) The Minister responsible may enter into contractual arrangements

- (a) with financial institutions, and
- (b) with participants

for the management and pooled investment of surplus cash of the participants.

**9 Section 43(4) is repealed and the following is substituted:**

(4) The Minister responsible may charge a cost or expense to

- (a) a fund referred to in subsection (3),
- (b) any fund the Minister responsible is authorized to invest pursuant to an enactment, or
- (c) a pooled fund established under section 45(2),

if the cost or expense, in the opinion of the Minister responsible, relates to investing on behalf of the fund.

**10 Section 45 is amended by adding the following after subsection (3):**

(3.1) Where the Minister responsible is the trustee of funds, or has the duties of a trustee for investment purposes, that Minister may invest those funds in pooled funds.

**11 Sections 47, 48 and 49 are repealed.**

**12 Sections 52 and 53 are repealed.**

**13 Section 54 is renumbered as section 42.1 and relocated after section 42.**

**14 Section 70 is repealed and the following is substituted:**

**Application**

**70** This Part does not apply to a guarantee of the payment of a pension, annuity or other benefit under a pension plan or the guarantee given by section 14 of the *Alberta Treasury Branches Act*.

**15 Section 76(4) is repealed and the following is substituted:**

(4) The Minister responsible may be a participant under section 40 on behalf of the Risk Management Fund.

**16 Section 83(1) is amended by striking out “, revolving fund” wherever it occurs.**

**17 Section 98(3)(e) is repealed and the following is substituted:**

(e) may provide that the fund administrator may be a participant under section 40 on behalf of the benefit fund;

**18 The Schedule is amended**

(a) **by striking out** “December 31, 2004” **and substituting** “December 31, 2003”;

(b) **in Part 8 by striking out** “Alberta Municipal Financing Corporation established under section 2 of the *Alberta Municipal Financing Corporation Act*” **and substituting**

“Alberta Capital Finance Authority continued under section 2 of the *Alberta Capital Finance Authority Act*”;

**(c) in Part 12 by adding the following after “(b) iCore Inc.”:**

(c) C-FER Technologies (1999) Inc.

(d) Centre for Engineering Research Inc.

**19(1) The *Alberta Foundation for the Arts Act* is amended by repealing section 12 and substituting the following:**

**Management and pooled investment of funds**

**12** The Foundation may be a participant under section 40 of the *Financial Administration Act*.

**(2) The *Alberta Heritage Foundation for Medical Research Act* is amended by repealing section 10 and substituting the following:**

**Management and pooled investment of funds**

**10** The Foundation may be a participant under section 40 of the *Financial Administration Act*.

**(3) The *Alberta Heritage Foundation for Science and Engineering Research Act* is amended by repealing section 10 and substituting the following:**

**Management and pooled investment of funds**

**10** The Foundation may be a participant under section 40 of the *Financial Administration Act*.

**(4) The *Alberta Heritage Savings Trust Fund Act* is amended by repealing section 5 and substituting the following:**

**Management and pooled investment of funds**

**5** The Minister of Revenue may be a participant under section 40 of the *Financial Administration Act* on behalf of the endowment portfolio and the transition portfolio.

**(5) The *Alberta Heritage Scholarship Act* is amended by repealing section 2(3)(b) and substituting the following:**

- (b) may be a participant under section 40 of the *Financial Administration Act* on behalf of the Fund.

**(6) The *Alberta Housing Act* is amended by repealing section 26 and substituting the following:**

**Management and pooled investment of funds**

**26** The Corporation may be a participant under section 40 of the *Financial Administration Act*.

**(7) The *Alberta Sport, Recreation, Parks and Wildlife Foundation Act* is amended by repealing section 9 and substituting the following:**

**Management and pooled investment of funds**

**9** The Foundation may be a participant under section 40 of the *Financial Administration Act*.

**(8) The *Environmental Protection and Enhancement Act* is amended**

- (a) by repealing section 30(6) and substituting the following:**

(6) The Minister of Finance may be a participant under section 40 of the *Financial Administration Act* on behalf of the Environmental Protection and Enhancement Fund.

- (b) by repealing section 171(4) and substituting the following:**

(4) The Minister may be a participant under section 40 of the *Financial Administration Act* on behalf of the Recycling Fund.

- (c) by repealing section 172(4) and substituting the following:**

(4) The management board or other body referred to in subsection (1) may be a participant under section 40 of the *Financial Administration Act* on behalf of the industry operated recycling fund.

**(9) The *Historical Resources Act* is amended by repealing section 13 and substituting the following:**

**Management and pooled investment of funds**

**13(1)** The Minister may be a participant under section 40 of the *Financial Administration Act* on behalf of the Historic Resources Fund.

(2) The income of the Historic Resources Fund accrues to and forms part of the Historic Resources Fund.

**(10) The *Human Rights, Citizenship and Multiculturalism Act* is amended by repealing section 13(3)(b) and substituting the following:**

(b) may be a participant under section 40 of the *Financial Administration Act* on behalf of the Fund.

**(11) The *Livestock and Livestock Products Act* is amended by repealing section 30(2) and substituting the following:**

- (2) The Tribunal may
- (a) invest the levies it receives and any interest earned on the levies, subject to the regulations, in investments in which a trustee may invest trust money under the Schedule to the *Trustee Act*, or
  - (b) be a participant under section 40 of the *Financial Administration Act*.

**(12) The *Natural Gas Rebates Act* is amended by repealing section 9(6) and substituting the following:**

**Natural Gas Rebates Fund**

**6** The Minister of Finance may be a participant under section 40 of the *Financial Administration Act* on behalf of the Fund.

**(13) The *Pension Fund Act* is amended by repealing section 1(4) and substituting the following:**

(4) The Minister of Finance may be a participant under section 40 of the *Financial Administration Act* on behalf of the Pension Fund.

**(14) The *Public Utilities Board Act* is amended by repealing section 29(3) and substituting the following:**



(3) The Minister of Finance may be a participant under section 40 of the *Financial Administration Act* on behalf of the Board.

**(15) The *Securities Act* is amended by repealing section 19(4)(e) and substituting the following:**

(e) may be a participant under section 40 of the *Financial Administration Act*.

**(16) The *Victims of Crime Act* is amended by repealing section 9(5) and substituting the following:**

(5) The Minister of Finance may be a participant under section 40 of the *Financial Administration Act* on behalf of the Fund.

**20(1) Sections 8, 11, 12, 15, 17 and 19 come into force on Proclamation.**

**(2) Section 18 is deemed to have come into force on January 1, 2004.**

### Explanatory Notes

**1** Amends chapter F-12 of the Revised Statutes of Alberta 2000.

**2** Section 1(1)(k) presently reads:

*1(1) In this Act,*

(k) “*expenditure*” means

- (i) *a payment authorized by a supply vote,*
- (ii) *a reimbursement, under the authority of one supply vote of a payment charged against another supply vote,*
- (iii) *a payment authorized by a statutory appropriation, other than a statutory*

*appropriation authorizing a payment to a revolving fund, or*

(iv) *a payment from a revolving fund;*

**3** Section 2(7) presently reads:

*(7) The Lieutenant Governor in Council may make regulations designating a fund containing public money as a revolving fund.*

**4** Section 27 presently reads:

*27 The Treasury Board may make regulations or issue directives establishing controls and limitations respecting the making of expenditures.*

**5** Section 33 presently reads:

*33(1) Every Provincial agency, fund administrator and revolving fund shall pay interest to the Minister responsible or a fund administrator on any advance to the Provincial agency, fund administrator or revolving fund from the General Revenue Fund or the regulated fund administered by the fund administrator, as the case may be, at the rate or rates fixed by the Treasury Board.*

*(2) A Provincial agency or revolving fund shall, on demand, remit to the Minister responsible all or any part of its net earnings and retained earnings as specified by the Minister responsible.*

*(3) Every Provincial agency and revolving fund shall pay interest to the Minister responsible on the net earnings and retained earnings of the Provincial agency or revolving fund not remitted to the Minister responsible pursuant to subsection (2) at the rate or rates fixed by the Treasury Board.*

*(4) For the purpose of subsections (2) and (3), the Treasury Board may determine the net earnings and*

*retained earnings of a Provincial agency or a revolving fund.*

*(5) Interest payable under subsection (3) must be computed from the end of the fiscal year in which the earnings were earned.*

*(6) Notwithstanding subsections (1) and (3), the Treasury Board may exempt a Provincial agency, fund administrator or revolving fund from the payment of all or any part of the interest payable under this section.*

**6** Section 37 presently reads in part:

*(4) An expenditure officer for the relevant department, regulated fund or Provincial agency shall authorize a disbursement before it is made.*

*(5) An expenditure officer may authorize a disbursement only if the expenditure officer is satisfied that the disbursement is in an amount*

*that complies with the terms of a contract approved by an expenditure officer or, if there is no contract, that it is appropriate in the circumstances.*

**7** Section 38 presently reads in part:

*(5) An accounting officer for the relevant department, regulated fund or Provincial agency shall authorize a disbursement before it is made.*

*(6) An accounting officer may authorize a disbursement only if the accounting officer is satisfied that*

*(a) the disbursement is authorized by an expenditure officer,*

*(b) in the case of an expenditure,*

*(i) the expenditure is for a purpose authorized by the applicable appropriation or for a*

*purpose for which the revolving fund is established, and*

- (ii) *there is money available in the applicable appropriation or revolving fund to meet the amount required,*
- (c) *in the case of a disbursement that is not an expenditure, the disbursement is consistent with the purpose for which the money is available and there is money available to meet the amount required,*
- (d) *if the payment is for goods or services, the goods have been received or the services given, and*
- (e) *the amount of the payment is correct.*

**8** Sections 40 and 41 presently read:

*40 In this Part,*

- (a) *“depositor” means a person who is designated as a depositor of the Investment Fund by a regulation made under section 47(2), but does not include a person who is deemed not to be a depositor pursuant to section 47(8);*
- (b) *“designated fund” means*
  - (i) *a fund or account that is held or maintained by a depositor and that is described or specified by name in a regulation made under section 47(2), or*
  - (ii) *the money or investments of a depositor that are described or specified by name in a regulation made under section 47(2),*

*but does not include a fund, account, money or investments deemed not to be a designated fund pursuant to section 47(8);*

(c) *“Investment Fund” means the Consolidated Cash Investment Trust Fund.*

*41(1) This Part does not apply to, and no orders shall be made under section 47(2) so as to affect, any fund, account, money or investments held by a depositor in trust*

(a) *if there is an express trust or direction, whether in an Act or otherwise, for the investment of the money or funds so held in trust, or*

(b) *if the trust would, except for section 48, be breached if any of the money or funds were transferred to the Investment Fund.*

*(2) A reference to a fund or account that is a designated fund shall be read as referring to the money in that fund or account and an investment made from money in that fund or account.*

**9** Section 43(4) presently reads:

*(4) In addition to and not in substitution for the power of the Minister responsible under a directive under section 17, the Minister responsible may charge a cost, expense or other payment to the General Revenue Fund, to any fund the Minister responsible is authorized to invest pursuant to an enactment or to any other fund approved by the Lieutenant Governor in Council if the cost, expense or other payment, in the opinion of the Minister responsible, is in respect of investing on behalf of the fund.*

**10** Section 45 presently reads:

*45(1) In this section, “pooled fund” means a pooled fund established under subsection (2).*

*(2) The Minister responsible may establish and maintain one or more pooled funds.*

*(3) The Minister responsible may divide a pooled fund into units.*

*(4) The Minister responsible may make investments on behalf of a pooled fund in accordance with section 43.*

*(5) The Minister responsible may*

*(a) make payments from a pooled fund to acquire, for cancellation or reissuing, all or part of a unit of the pooled fund, or*

*(b) distribute income earned by the pooled fund to unit holders in proportion to the number of units or parts of units each holds.*

**11** Repeal of sections relating to the Consolidated Cash Investment Trust Funds and the Investment Fund.

**12** Repeal of sections relating to administration of Investment Fund.

**13** Section 54 presently reads:

*54 If the Crown, pursuant to an Act passed on or after May 24, 1996, makes a loan or acquires shares of capital stock in a corporation, the head of the department that administers that enabling Act shall lay the loan agreement, the agreement under which the share is acquired and any material amendment to either agreement before the Legislative Assembly not later than 45 days after the end of the fiscal year in which the agreement or amendment, as the case may be, is made or, if the Legislative Assembly is not then sitting, not more than 15 days after the beginning of the next sitting.*

**14** Section 70 presently reads:

70(1) *In this Part,*

- (a) *“guarantee” means a guarantee by the Crown or a Provincial corporation;*
- (b) *“indemnity” means an indemnity by the Crown or a Provincial corporation.*

(2) *This Part does not apply to a guarantee of the payment of a pension, annuity or other benefit under a pension plan or the guarantee given by section 14 of the Alberta Treasury Branches Act.*

**15** Section 76(4) presently reads:

*(4) The Minister responsible may be designated as a depositor, on behalf of the Risk Management Fund, in the Consolidated Cash Investment Trust Fund.*

**16** Section 83 presently reads in part:

*83(1) The Treasury Board may, in respect of a department, revolving fund or Provincial agency that supplies goods or renders services to another department, revolving fund or Provincial agency or to a fund administrator or public employee, public official or personal service contractor, issue directives*

- (a) *designating the department, revolving fund or Provincial agency as one that shall make charges for those goods or services,*
- (b) *specifying the goods or services or classes of goods or services for which charges are to be made,*
- (c) *prescribing the respective charges or rates of charges to be made for those goods or services, and*
- (d) *specifying the fund or account where transfers in payment of charges for those goods or services are to be credited,*

*and afterwards the department, revolving fund or Provincial agency shall supply goods or render services only in accordance with the directives.*

**17** Section 98(3) presently reads in part:

*(3) A directive under this section*

*(e) may provide that the fund administrator may be designated as a depositor, on behalf of the benefit fund, of the Consolidated Cash Investment Trust Fund;*

**18** The Schedule presently reads in part:

*Schedule  
Provincial Agencies  
to be Continued*

*In accordance with section 82(4) of the Financial Administration Act, the Provincial agencies set out in Parts 1 to 20 that are in existence on December 31, 2004, continue after that date until they are discontinued in accordance with section 82(2)(b) of the Financial Administration Act, or they sooner expire, are disestablished or are wound up.*

*Part 8  
Provincial Agencies Under the  
Ministry of Finance*

*Alberta Municipal Financing Corporation  
established under section 2 of the Alberta Municipal  
Financing Corporation Act.*

**19** Consequential amendments.

**20** Coming into force.