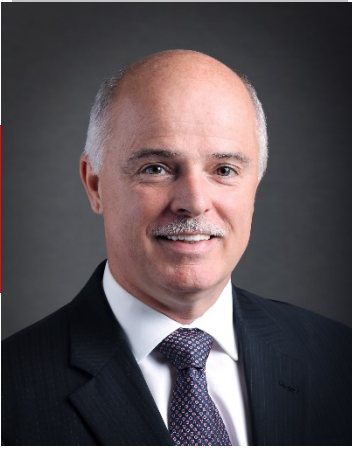


Finance

Annual Report

2016-17





MESSAGE FROM THE MINISTER

In accordance with my responsibilities under the Transparency and Accountability Act, I am pleased to submit the 2016-17 Annual Performance Report for the Department of Finance. Its purpose is to account for the progress made towards achieving the intended outcomes identified in the Department's 2014-17 Strategic Plan.

This report was developed in accordance with the requirements of the Transparency and Accountability Act. As Minister responsible for the Department of Finance, my signature below is indicative of my accountability for accurateness of the actual results reported within this document.

During the 2016-17 fiscal year, the Department of Finance made great strides towards the actions committed in The Way Forward – Government's vision of sustainability and growth for the Province of Newfoundland and Labrador. A zero-based approach to developing the 2017 Budget was implemented, which produced a savings of approximately \$65.8 million; a leaner, flatter management structure was implemented within the Department for a departmental savings of approximately \$1.7 million; and the development and release of a multi-year infrastructure investment plan was supported, which outlined investments in priority areas of over \$3 billion. Other noteworthy accomplishments included supporting the expanded role and composition of a government-wide audit committee; initiating changes to financial systems and legislative frameworks to support the implementation of a strategic one-window, multi-year approach to community grant funding; and reducing the provincial deficit.

I would like to take this opportunity to acknowledge the outstanding accomplishments and commitment of the employees in the Department of Finance. I look forward to their continued support and dedication.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Osborne', written over a light blue horizontal line.

Honourable Tom Osborne
Minister of Finance

Table of Contents

Message from the Minister

1.0	Introduction.....	1
2.0	Departmental Overview	2
	2.1 Organizational Structure	3
	2.2 Staff and Budget.....	3
3.0	Highlights and Partnerships	4
	3.1 Partnerships.....	4
	3.2 Highlights	5
4.0	Report on Performance.....	7
	4.1 Strategic Issue #1: Financial Management	7
	4.2 Strategic Issue #2: Fiscal Planning	14
	4.3 Strategic Issue #3: Quality of Quantitative Information.....	20
5.0	Opportunities and Challenges.....	26
6.0	Financial Information.....	28

1.0 Introduction

The Transparency and Accountability Act (the Act) provides the legislative framework for strengthened accountability, openness and transparency to the people of this Province. As such, all government entities are required to produce three-year performance-based plans and annual performance reports, both of which are presented to the House of Assembly and are made available to the general public.

The planning and reporting expectations of all government entities is determined by their categorization, as decided upon by the Lieutenant-Governor-in-Council. The Department of Finance is a category 1 government entity and as such is required to develop a three-year strategic plan that establishes goals and objectives at the outcome level; and prepare annual performance reports which compare actual results for the applicable fiscal year of its strategic plan with the projected results of that plan for the corresponding fiscal year. Where the comparison of planned versus actual results for a fiscal year demonstrates a variance, appropriate explanations must be provided.

As required by section 9 of the Act, the 2016-17 Annual Report compares planned results (as per the 2014-17 Strategic Plan) to actual accomplishments for the corresponding fiscal year (i.e., from April 1, 2016 to March 31, 2017). Additionally, it should be noted that the 2016-17 fiscal year is the last year of the 2014-17 strategic planning cycle. As such, this document also compares planned to actual results achieved over a three-year time frame (i.e., April 1, 2014 to March 31, 2017).

On June 30, 2017 the Department of Finance presented its 2017-2020 Strategic Plan to the House of Assembly and made it available to the public (www.fin.gov.nl.ca/fin/publications/index.html#2). Subsequent annual reports will provide performance information related to the corresponding fiscal year of the 2017-2020 Strategic Plan.

2.0 Departmental Overview

The Department of Finance is responsible for supporting Government in the development of fiscal, financial, statistical and economic policy. These responsibilities are primarily achieved by providing timely analysis and advice to government departments and agencies; Cabinet; and the Committees of Cabinet, particularly Treasury Board for which the Minister of Finance serves as President. The Department is also responsible for providing government-wide comptrollership oversight to ensure the appropriate use of public funds.

The Department is primarily responsible for:

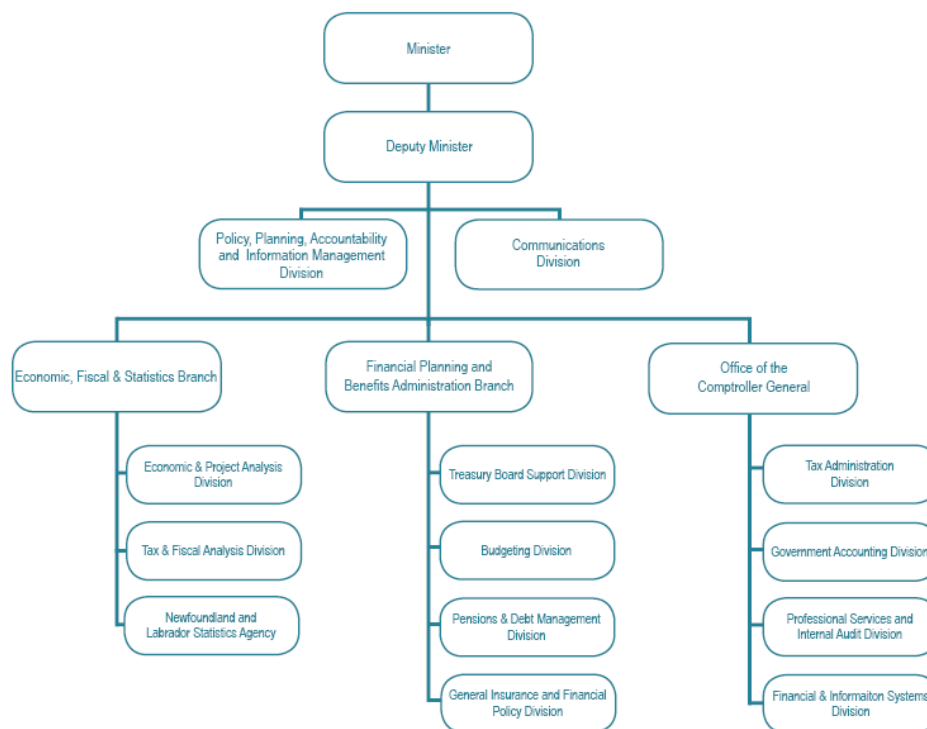
- Supporting Government's provincial revenue and expenditure planning processes.
- Providing operational support to the Treasury Board Committee of Cabinet.
- Overseeing the financial management of the public treasury.
- Providing analysis of the financial and economic impact of major projects; and analyzing and forecasting the macroeconomic environment.
- Conducting statistical research, analysis and data development.
- Controlling and accounting for the receipt and disposition of public money through the development of financial policies and procedures; development and maintenance of government-wide revenue and expense systems; and the preparation of the provincial financial statements (i.e. Public Accounts) and related financial reports.
- Providing professional financial advisory services in the areas of: financial management, accounting, systems and security controls; financial policy development and implementation; internal auditing; and financial reporting. Corporate shared services for accounts payable and receivables are also provided.
- Providing operational support and internal auditing advisory services to the Government-wide Audit Committee.
- Administering, auditing and collecting various provincial own-source taxation programs; administering various provincial taxation rebate programs; and collecting select provincial outstanding receivables.

The Department is also directly responsible for the administration of 39 Acts (plus accompanying regulations) such as the Financial Administration Act, the Statistics Agency Act, the Pensions Funding Act, and the Revenue Administration Act¹.

¹Additional information is provided online at www.fin.gov.nl.ca/fin.

2.1 Organizational Structure:

The Department of Finance is organized into three branches and 13 divisions as follows:



2.2 Staff and Budget:

The Department of Finance is primarily located in the East Block of the Confederation Building (Ground Floor, Main Floor and Third Floor). The Department also has two other office locations within St. Johns (5 Mews Place and 657 Topsail Road). Contact information is available online at www.gov.nl.ca/fin.

As of March 31, 2017 the Department employed 285 people as follows:

Branch	Female	Male	Total
Office of the Comptroller General	109	48	157
Financial Planning and Benefits Administration	22	12	34
Economic, Fiscal and Statistics	44	38	82
Executive Support	11	1	12
Total	186	99	285

As per the Report on the Program Expenditure and Revenues of the Consolidated Revenue Fund for the year ended March 31, 2017 (unaudited), the Department's original estimate of gross expenditure was \$126,672,900. The total actual gross expenditure was \$98,903,914 which left an unexpended balance of appropriation of \$27,768,986 (please refer to section 6 for detailed information).

3.0 Highlights and Partnerships

3.1 Partnerships

As a central agency of Government responsible for advising on fiscal, financial, statistical and economic policy, the Department of Finance often works in conjunction with other core government departments, as well as agencies, boards and commissions, to address issues that impact multiple areas across Government and to achieve provincial outcomes. The following are examples of how the Department worked with its internal and external partners during the 2016-17 fiscal year to address common priorities.

Multi-Year Infrastructure Planning

As committed to in The Way Forward, Government's vision for sustainability and growth in this province, on March 17, 2017 this Government announced a five-year plan for infrastructure investments ([The Way Forward: A Multi-Year Plan for Infrastructure Investments](#)). The plan outlines investments in priority areas with over \$3 billion committed for new and existing schools; health care facilities; roads and bridges; municipal infrastructure; affordable housing; and justice facilities. It takes into consideration such things as demographics, social and economic development, tourism, alternate procurement methods, and climate change. The projects included in this plan will spur economic development and growth and foster business development while also strengthening and supporting communities.

This plan represents forward thinking and long-term planning, which is essential to a balanced, fiscally-responsible approach. It provides better value for money, which is a critical consideration in the current fiscal climate. In addition, as an integral piece of the planning process, Government will seek every opportunity to leverage federal infrastructure funding to support and maximize provincial priorities and investments. The plan will be updated annually to reflect emerging priorities and released in advanced of each budget. This accomplishment was made possible through collaborative working relationships between Executive Council, the Department of Finance, the Department of Transportation and Works, as well as other core departments across Government.

One-Window, Multi-Year Community Grants

The Way Forward committed to implementing a strategic one-window, multi-year approach to community grant funding as a means of ensuring efficient and consistent approach to administration, accountability and evaluation. It further committed to modifying financial administration systems and legislative frameworks, as required, to facilitate multi-year funding arrangements with community organizations. Multi-year funding arrangements will enable community organizations to more efficiently plan programs and services.

During 2016-17, the Department of Finance co-chaired an interdepartmental committee with the Department of Children, Seniors and Social Development. Through a collaborative effort, legislative amendments to the Financial Administration Act and regulations were developed to provide the authority for multi-year grant funding to community-based organizations. Work was also initiated to make the necessary adjustments to financial management systems to facilitate the strategic one-window approach. In addition, the development of a framework was also started, the purpose of which is to help ensure consistency across Government in the management of community grant programs.

Canadian Health Accord

In partnership with Executive Council and the Department of Health and Community Services, the Department of Finance worked to reach an agreement on funding for the Canadian Health Accord. On December 23, 2016, Government announced new targeted federal funding over 10 years for investments in home care and mental health care. Through negotiations with the Federal Government the Canadian Health Accord agreement was reached and will provide \$160.7 million in federal funding to this Province over the next 10 years to support home care and mental health initiatives. This achievement represents a significant step towards ensuring the sustainability of health care funding for residents of this Province.

3.2 Highlights

In addition to the above and to the information provided in the next section of this document (4.0 Report on Performance), the Department of Finance would also like to highlight the following accomplishments for the 2016-17 fiscal year:

Timely Financial Reporting

During the 2016-17 fiscal year, the Department of Finance brought forward amendments to the Financial Administration Act to improve upon the timeliness of the Province's financial statements by imposing an earlier deadline for the publication of the Public Accounts. Prior to these amendments, Public Accounts were to be made public no later than January 31st of the following fiscal year. This date has since been revised to October 31st with an additional commitment to provide the Public Accounts no less than 15 days before the date of a provincial election, in those years when the fixed date of a provincial election occurs.

These amendments were made in support of strong fiscal management. The Public Accounts is the key accountability document which enables the House of Assembly and the citizens it represents to hold Government accountable for the use of public money. Earlier reporting will help to enhance the accountability of the provincial government on the management of fiscal resources and will ensure the relevance of financial information contained within the Public Accounts. Earlier reporting also assists in the alignment of resources within departments and government entities to ensure the Provincial Government's financial statements are prepared in a timely manner. In addition, it will inform the Government to make appropriate resource allocation decisions based on the Province's financial performance. These amendments are

complementary to initiatives in The Way Forward vision, which are focused on addressing the Province's fiscal reality, and to finding short and long-term sustainable solutions for the Province's finances.

4.0 Report on Performance

4.1 Issue One: Financial Management

The Department of Finance is mandated to provide government-wide comptrollership oversight to ensure the appropriate use of public funds. This mandate is fulfilled by controlling and accounting for the receipt and disposition of public money through the development of financial policies and procedures; developing and maintaining government-wide revenue and expense claim systems; and preparing the financial statements of the Province (i.e. Public Accounts) and related financial reports. Professional financial advisory services is also provided to government departments in the areas of financial management, accounting, systems and security controls; financial policy development and implementation; internal auditing; and financial reporting. Finally, centralized services is provided for core government's accounts payables and receivables.

A key priority for the Department of Finance is the enhancement of these roles in support of robust, responsive, and effective financial management across Government. As such, the following goal was identified in the 2014-17 Strategic Plan:

By March 31, 2017, the Department of Finance will have enhanced its leadership role to strengthen the financial management function of Government.

Summary of Progress towards the Goal:

During the 2014-17 planning cycle, the Department of Finance enhanced its leadership role to support a strengthened financial management function across core Government, as evidenced by the following performance achieved towards its key indicators of success (as defined in the 2014-17 Strategic Plan):

- **Upgraded Financial Management System**
The Financial Management System (FMS) is Government's primary means of processing financial transactions and reporting on financial results. The system was implemented in 1998 and is used to varying degrees by all departments within Government to support a variety of financial processes. Upgrading FMS was recognized as a high priority due to the age of the system; advancements in technology; and enhanced focus on financial accountability and transparency. The upgrade focused on providing new functionality to better support user needs, the realization of efficiencies; and alignment with the changing business needs of Government.

On January 20, 2015, the Department of Finance successfully launched the upgraded version of FMS, which was on schedule and within the budget allocation. This marked a significant achievement for the Department, culminating several years of complex preparatory work. The upgrade was a major release of the FMS with

significant functional enhancements and new modules; and changes to user interface, technology and architecture.

Prior to the upgrade, numerous customizations were required to accommodate Government's financial processes. The upgrade provided the opportunity to significantly reduce these customizations (by approximately 50%) which has lowered associated maintenance costs on a go-forward basis and reduced the risk of having customizations that are no longer supported by the vendor. Additionally, user interfacing was improved, processes were streamlined and financial accountabilities were reinforced. Significant accomplishments facilitated by this upgrade are as follows:

- Approval for invoice payments and travel expense claims are now completed online, reducing paper transactions by approximately 60% and significantly improving upon the efficiency with which both of these processes are administered. Vendors also now send their invoices electronically to a centralized unit where they are digitized and electronically processed.
- Improved access to information related to Government's outstanding receivables is made possible by a new functionality within FMS (called Advanced Collections). This new module provides immediate access to collections metrics, aging, transaction history, notes and tasks. It also enables a consolidated view of a customer with all related accounts. This provides ability for enhanced monitoring and work prioritization, replacing the manual collection processes that existed prior to the upgrade.
- FMS now has the capacity to better support the procurement functions of Government (called Buyers Work Centre). Buyers now have the ability through FMS to easily navigate and track their daily tasks, which include viewing actions on requisitions, creating and modifying orders and agreements, and reviewing supplier information.

Key stakeholders were engaged throughout the entire process and provided timely key messages. Stakeholder training was also developed and delivered to support adjustment to the new technology and associated business processes. A User Support Network was created; numerous information sessions and end user training sessions were held for users from across all levels of the organization via various means such as webinars, classrooms, eLearning and one-on-one sessions. End user guides, information bulletins and quick reference materials were also provided and widely distributed via Government's intranet and the FMS Helpdesk.

- Enhanced corporate financial management reporting of the Financial Management System

As the centralized repository for the management and administration of all of Government's financial transactions, FMS has the capacity to provide critical information to departmental executives, program directors and departmental controllers on the status of financial operations thereby enhancing their ability to manage. As such, during the 2014-17 timeframe, the Department of Finance developed the Financial Management Executive Dashboard, which is a web-based

collection of corporate financial management reports designed to provide high level information required to manage the financial affairs of government departments. Over the course of the last three years, the following corporate reports were developed for use by all departmental executive:

- Actual versus Projected Expenditure – provides a comparison of three key performance indicators (original budget; projected expenditures; and actual expenditures incurred to-date) used to monitor financial performance of a department.
- Budget Management – provides information on remaining funds available for the year and highlights those budgets that are approaching full consumption. These analyses support assessments of budgets to determine if sufficient funds remain to cover anticipated expenditures and to identify potential savings.
- Budget Comparison – compares one budget against another budget either in the same year or across multiple years, which can be used to support assessments of changes in program requirements and the impacts those changes may have on future funding needs.
- Expenditure Analysis – provides information on the amount, timing and distribution of program spending for the current year as compared to the same in previous years. This information can also be used to support assessments of changes in program requirements and the impacts those changes may have on future funding needs.

Additionally, corporate financial monitoring was enhanced for program directors and departmental controllers across Government through the development of the following financial reports:

- Funds Inquiry Report - provides the available funds by activity, main object and operating accounts for the selected department or responsibility centre, which can be used as a budget monitoring and reporting tool.
 - Invoice Processing Report - provides monthly invoice processing workflow statistics showing the average number of days it takes an invoice to move from received to paid status, by department, branch or responsibility center.
 - Invoice Tracking & Rejections Report - tracks invoices that are taking longer than usual to process and invoices that have been rejected.
- Improved invoice processing and payment
Upgrades to Government's Financial Management System improved invoice processing and payment by providing the functionality required to support online approvals. These new business processes streamlined the approval and payment processes as well as increased visibility and control of processing status.

Additionally, the Department of Finance supported the Government Purchasing Agency to implement a Purchasing-Card (P-Card) by developing the required legislative changes to the Financial Administration Act, changing (or developing new) financial processes and modifying the expense claim management system.

The P-Card is a government-issued credit card used to acquire eligible goods and services within specified transaction limits. P-Cards provide a means for streamlining

the procure-to-pay process, allowing the more timely procurement of goods and services and reducing transaction costs that result from a large number of payments made for low dollar value items purchased from a varied number of suppliers. The use of the P-Card also provides supplier rebates based upon volume of purchase and greatly reduces the need of petty cash.

- Strengthened revenue management functions
Budget 2016 presented a fiscal plan to regain control of government finances. This plan identified clear objectives, transparent goals, and fiscal targets, which included a commitment to return to a surplus position by 2022-23. Such a commitment required Government to shift its approach to revenue planning and management.

One of the biggest challenges is the fluctuation in oil royalties, which is impacted by commodity prices; the exchange rate; production/sales volumes; and capital and operating costs. As such, Government has taken a prudent approach to revenue planning. The price of oil fluctuates greatly on a daily basis. Therefore forecasting of oil royalties is based on the yearly average of 11 oil price forecasters and the estimates of 8 exchange rate forecasters. The change in oil price is also closely monitored and the official oil price and exchange rate forecasts are updated as part of the annual fall and fiscal economic update. However, the further out in time these forecasts are made, the more unpredictable become the underlying assumptions used to estimate oil price. As such, an oil risk adjustment has also been used in the out years of the provincial budget forecast to protect against adverse impacts from commodity price fluctuations and volume.

Additionally, as part of the upgrade to Government's Financial Management System (FMS), the Department of Finance improved upon access to information related to Government's outstanding receivables. Through the addition of a new functionality within FMS (called Advanced Collections), back-office transactional data is combined with front-office collection management services to improve upon productivity and collection results. More accurate client information is available by streamlining collections processes, work is easily prioritized; access to transactional data is made simpler; and monitoring of collections, delinquencies, etc. is enhanced.

- Implemented a government-wide fraud risk management program
Fraud is an on-going reality for many organizations, including Government. Organizations that experience fraudulent activity incur significant direct loss as well as extra costs related to investigation, prosecution and person-hours spent dealing with such incidents. In addition to monetary losses, fraud also has damaging effects on the organization's reputation, its ability to efficiently deliver programs, establish partnerships and manage funds in an effective manner. Effective fraud prevention, detection and response mechanisms play a key role in safeguarding an organization's interests. As such, during the 2014-17 timeframe, the Department of Finance made significant strides towards the development and implementation of a government-wide fraud risk management program, which included the following components:

- Fraud assessment training provided to staff of the Department of Finance.
 - Developed methodology to conduct detailed assessments of fraud risks in government departments.
 - Developed a fraud risk self-assessment tool which was then distributed to all departmental executive throughout Government. The purpose of the survey was to assess key fraud risks and potential control failure, with the objective of providing insight into fraud risks existing in different business processing areas. Additionally, the results of this survey were used to assist in the prioritization of future years' audits.
 - Departmental executives from all government departments were provided related training.
 - Significant work was accomplished towards the development of a fraud policy, the purpose of which is to provide a framework to assist departments in developing fraud management practices including fraud prevention and detection; and to raise awareness.
 - The Department supported the expansion of the role and composition of the government-wide audit committee by developing a committee charter and assisting in the identification and recommendation of committee members.
- Strengthened the financial analysis capacity of Government
Challenges have been experienced with respect to financial analysis capacity due to recruitment and retention issues, an aging workforce, technology advancements, evolving accounting standards, and increased focus on financial transparency and accountability. Enhancing the capacity of financial management professionals supports a more informed decision-making process; consistent application of financial policies and procedures; better retention of corporate knowledge and a standardized integrated network of financial systems and processes.

As the Department responsible for providing strategic leadership in the development and application of financial policy, during the 2014-17 timeframe the Department of Finance made significant progress towards supporting Government to enhance its financial analysis capacity at all levels of the organization. In partnership with the Centre for Learning and Development, a financial management strategy was developed and implemented, the objectives of which were to improve legislative compliance, build consistent approaches to financial management practices, and increase understanding of financial roles, responsibilities and accountabilities of the core public service. Through consultations with various stakeholders, a competency framework was developed that identified broad learning needs and core competencies. Supportive training in financial competencies was developed and delivered to employees at multiple levels of the organization in areas such as budget preparation and monitoring; internal controls; the Financial Administration Act; fraud prevention and detection; expense claim management; delegation of financial authority; consultant's guidelines; and public sector accounting. Development of additional training modules continues.

Summary of Progress towards the 2016-17 Objective:

During the 2016-17 fiscal year, the Department continued to focus its efforts to support the strengthening of the financial management capacity of Government by establishing the following annual objective:

By March 31, 2017, the Department of Finance will have further implemented initiatives aimed to strengthen the financial management capacity of government.

The following performance was achieved towards the Department's key indicators of success:

- Developed new or refined existing (where required) training materials and/or approaches based on the competency framework of the Financial Capacity Initiative. In partnership with the Centre for Learning and Development, the following on-line learning modules were developed and made available to employees during the 2016-17 fiscal year in support of the financial capacity initiative:
 - Budget preparation and monitoring
 - Chart of accounts
 - Ethical decision-making in the workplace
 - Business case development
 - Expense claims management system – pcard entry
 - Financial Administration Act
 - Fraud prevention and detection
 - Internal controls
 - IT project management essentials – monitoring and controlling IT projects
 - Planning project costs
 - Introduction to public sector accounting and reporting

- Developed additional reports for the Executive Dashboard. The Executive Dashboard is the web-based corporate reporting tool used by departmental executives to oversee financial operations. During the 2016-17 fiscal year, the Department of Finance developed additional corporate reports deemed beneficial to executive. These reports included information about the status of invoice processing; invoices by source; suppliers; and invoices in workflow greater than 10 days. Additionally, at the request of departmental executive, customized reports can be developed specifically on a department-by-department basis to meet individual corporate financial reporting needs. The following reports were developed for use by executive within the Department of Finance only:
 - Actual year-to-date budgetary cash requirements
 - Comparison of budgeted provincial and federal source current account revenues to actual year-to-date revenues
 - Original budget less year-to-date actuals amounts at the program/main object level for select fiscal years and departments
 - Comparison of original budget, projected expenditures and actual expenditures by department for selected line objects

- Supported the development and implementation of a Provincial Government-wide Audit Committee
Budget 2016 committed to expanding the role and composition of the government-wide audit committee. The Department of Finance provided a supportive role in fulfilling this commitment by developing a revised Audit Committee Charter (the Charter). This included an expanded role for the Audit Committee as well as a change to the committee structure to expand the selection criteria for internal membership. Furthermore, the Department of Finance worked with the Public Service Commission to appoint external members to the Audit Committee through an independent merit-based competitive process. The Department developed the Audit Committee profile which was made available online by the Public Service Commission, assisted in the review of applicants, and then proposed recommendations for external appointments.
- Developed a fraud risk management policy.
Significant progress was made in 2016-17 towards the development of a fraud risk management policy. Its purpose is to provide a framework to assist departments in developing fraud management practices including fraud prevention and detection; and to raise awareness. The policy will encourage active participation by all employees in safeguarding Government's resources and reputation; and provide a consistent framework for the investigation and reporting of fraud by core government departments.
- Worked towards the renewal of the Province's banking services agreement with the intent to introduce more efficient business processes.
In accordance with section 20.(4) of the Financial Administration Act, the Comptroller General has the authority to establish banking services agreements with accredited banks or financial institutions for the deposit and payment of public money. The current banking agreement expired May 31, 2017. As such, during the 2016-17 fiscal year, the Department of Finance completed a request for proposal (RFP) process to identify suitable candidates for the purposes of establishing a banking services agreement. A banking committee composed of representatives of the Department of Finance and the Office of the Chief Information Officer was established to evaluate and analyze the proposals received in response to the RFP. Five proposals were received in total and evaluated based upon cost, service delivery and additional services/commitment to innovation. Each proposal was ranked and the number one ranking proponent was awarded the contract for a seven year term commencing June 1, 2017, with an option to renew the agreement for a further two seven year terms.

4.2 Issue #2 – Fiscal Planning

On November 9, 2016, this Government released The Way Forward – A vision for sustainability and growth in Newfoundland and Labrador. Its purpose is to serve as a roadmap to guide the future of this Province by outlining the policy decisions this Government will take to redesign itself so that it can address the economic, social and fiscal challenges of this Province. The Way Forward identified specific actions and fiscal targets to help keep Government on track and to measure success. Achieving such commitments requires a smart, focused approach that includes evidenced-based decision making for how projects, programs and services are managed.

As the central agency mandated to provide strategic leadership in the development and implementation of fiscal policy and oversight for Government's revenue and expenditure planning, the Department of Finance identified the following goal in its 2014-17 Strategic Plan:

By March 31, 2017, the Department of Finance will have implemented initiatives aimed to strengthen Government's fiscal planning capacity.

Summary of Progress towards the Goal:

During the 2014-17 planning cycle, the Department of Finance supported the strengthening of Government's fiscal planning capacity by implementing a number of initiatives, as evidenced by the following performance achieved on its key indicators of success (as defined in the 2014-17 Strategic Plan):

- Strengthened the annual budget preparation process
The Department of Finance is responsible for leading the annual budgetary process, which is integrated, collaborative and consultative. A key focal point of this responsibility is the provincial pre-budget consultation process, which is designed to provide key stakeholders, individuals and various interest groups an opportunity to identify budget priorities for consideration in the provincial budget. Over the past couple of years, the Department has partnered with the Communications and Public Engagement Branch of Government to redesign the pre-budget consultation process such that it is more interactive, engaging and accessible through a variety of means, with the intent of enhancing value for both the stakeholders and Government. The following enhancements were made:
 - The face-to-face sessions held throughout the Province were restructured so that in addition to providing attendees the opportunity to present their thoughts and ideas about upcoming budget priorities, focused discussion groups were introduced to provide Government the opportunity to hear first-hand public perspectives pertaining to specific issues being addressed in the upcoming provincial budget.
 - A website was developed to provide additional information about the Province's fiscal situation and to build awareness about the complexities of making provincial budgetary decisions.

- An online discussion forum and a twitter account were established to provide the general public other avenues through which to express their opinions.
- An online calculator was developed to demonstrate budgetary impacts to household incomes.

Additionally, as per The Way Forward, the Department of Finance used a zero-based budgeting approach to developing Budget 2017. In previous years, all core government departments approached the budget planning exercise by assuming that their base budget would remain constant and justification for new funding requirements was the primary focus. Under the zero-based budgeting approach, departments had to build their budget requests from zero and justify continued investment in all areas of operation – nothing was assumed constant. This type of approach required in-depth analysis and historical review to justify every dollar spent, which supported the development of a lean and efficient provincial budget.

- Serviced outstanding debt ensuring the timely and accurate payment of interest and principal
It is Government's policy to ensure that all outstanding debt and associated debt expenses (i.e. interest) are paid in a timely manner so as to avoid incurring liabilities and extra costs. As such, internal work processes are put in place to ensure close monitoring of payment schedules. During the 2014-2017 time period, all such expenses were paid in a timely manner. Detailed information about debt expenses can be found in the annual publications of the Estimates document and the Public Accounts Consolidated Summary Financial Statements, both of which are made available online at www.fin.gov.nl.ca.
- Support Government's decision to negotiate new borrowing of up to \$1 Billion to meet its provincial cash requirements (as outlined in the 2014 Estimates book)
When the current administration took office in December 2015, the Province was in a serious financial crisis. High rates of spending combined with a structural erosion to the revenue base, created unprecedented deficits and subsequently unprecedented borrowing requirements. At that time, the Province was spending approximately 25% more than the revenues it was taking in, creating a deficit on a per capita basis that was highest among all provinces and a borrowing requirement that was the highest in this Province's history.

The Way Forward outlines this Government's plan to restore financial stability and sustainability to the Province. Borrowing targets were subsequently revised (as communicated through Fall Fiscal and Economic Updates and the Budget Speeches), which was necessary to ensure that Government was able to continue to pay for vital programs and services required by the citizens of this Province.

Options to lower borrowing costs for the Province were explored and a strategic focus was taken to develop and maintain good relations with potential investors. Targeted meetings were held with potential investors and financial advisors and an investor relations website was developed. Launched on September 19, 2016, the

website targets potential investors and aims to inform and establish relationships. In addition to the Province's demographics, fiscal history and economic data, the investor relations website (www.investorrelations.gov.nl.ca) provides open and transparent information about the Province's borrowing program and debt portfolio and history. It also includes a bond database; provides access to financial reports for the Provincial Government and Nalcor Energy; and information on the Province's credit ratings. This website is the first of its kind for the Province of Newfoundland and Labrador.

- Supported Government in its commitment to improve upon the sustainability of provincial pension plans

A key component of the Province's net debt is unfunded pensions and other post-retirement liabilities. Despite periodic pension investments by Government, the liabilities continued to grow. This growth in the unfunded pension liabilities is not sustainable and a long-term solution was required.

Over the past three years, the Department of Finance and the Human Resource Secretariat took a shared leadership role to develop and implement viable solutions to address the unfunded liabilities associated with this Province's pension plans and post-retirement benefits and to ensure their sustainability for current and future plan members, including retirees. Its focus has been on the two largest government-sponsored defined benefit pension plans – the Public Service Pension Plan (PSPP) and the Teachers' Pension Plan (TPP), which collectively represents more than 95% of the unfunded liabilities. The following has been accomplished with respect to pension reform for both the PSPP and the TPP:

- Pension reform agreements were established, the purpose of which was to revise the terms and conditions of both pension plans; establish the principle of joint and equal participation in the sponsorship and administration of the pension plans; and create a funding policy.
- Joint Sponsorship Agreements were signed, the purpose of which was to establish the principles of the Joint Trusteeship, as provided in the Pension Reform Agreements.
- Funding policies for both plans were developed to define how to respond to actuarial surpluses and deficits in both pension plans, with the basic principle that all actuarial surpluses and deficits will be shared equally by Government and the members of each pension plan respectively.
- Joint Sponsorship Bodies were established for each pension plan consisting of equal representation from Government and pension plan representatives.
- Independent corporations were established to administer each pension plan and manage the investment of the corresponding pension funds. The TPP Corporation is responsible for the Teachers' Pension Plan and Provident¹⁰ is responsible for the Public Service Pension plan. Both corporations are statutory, without share capital and neither are crown agencies. Both corporations are governed by a board of directors, with equal members appointed to represent Government and the pension plan members.

- Service level agreements were established between Government and each of the two independent corporations, the purpose of which was to provide for the continued administration of each pension plan and investment management services by Government, on a cost recovery basis, during the transition periods.
- Promissory notes, to be amortized over a 30 year period, were issued to each pension plan fund to address the unfunded liability of each pension plan. Approximately \$1.862 billion was issued for the TPP and \$2.685 billion for the PSPP.
- All related financial assets were transferred from the Newfoundland and Labrador Pooled Pension Fund to separate funds under the stewardship of each independent corporation. Approximately \$5.6 billion in assets relating to the PSPP and approximately \$3 billion in assets for the TPP.
- Development of non-statutory plan text was initiated. Once completed, it will replace the terms and conditions of both plans currently prescribed by the Public Service Pension Plan Act and the Teachers' Pension Act. It will be used by the respective independent corporations as the primary document for plan administration. Once implemented, future changes to either pension plan will be directed by the respective Joint Sponsorship Body and/or the independent corporation and reflected in the corresponding plan text.

Summary of Progress towards the 2016-17 Objective:

During the 2016-17 fiscal year, the Department continued to support the strengthening of Government's fiscal planning process by establishing the following objective:

By March 31, 2017, the Department of Finance will have implemented further initiatives aimed to strengthen the Provincial Government's fiscal planning capacity.

The following results were achieved towards the Department's key indicators of success:

- Implemented a zero-based budgeting exercise for all government departments. In preparing for Budget 2017, the Department of Finance lead the implementation of a zero-based budgeting approach. Departments were provided a guiding document to assist with the review of their expenditures, prioritization of investments and development of their 2017-18 budgets. In previous years, departments had a base budget and justified only new funding requirements under the assumption that the base budget was already approved. Under the zero-based budgeting approach, departments built their budget requests from zero and then justified any continued investment in all areas of operation. Through careful planning and smart decision-making, the zero-based budgeting approach realized a savings of approximately \$65.9 million.
- Developed and released a Fall Fiscal Update. On October 27, 2016, the Province's 2016-17 Fall Fiscal and Economic Update was released. At that time, Government was able to announce that fiscal performance had improved with respect to budget targets. Through strong fiscal management, the projected deficit was revised to \$1.58 billion, which was a decrease of \$250 million

over the Budget 2016 projection of \$1.83 billion. As well, the Province's borrowing requirements had been reduced by \$500 million due to higher revenues and deferred cash-flow from infrastructure projects. Further information can be found online at www.fin.gov.nl.ca.

- Began the development of the legislative framework required to establish a diversified wealth fund.
Budget 2016 made the commitment to establish a Diversified Wealth Fund (Legacy Fund) once the Province returned to a budget surplus position as a means of planning for the future and protecting against fiscal uncertainty caused by the volatility of oil revenues. Government has committed to returning to a surplus budget by 2022-23. As such, work on the development of the legislative framework required to establish a diversified wealth fund has been put on hold until the Province moves closer to a surplus budget position.
- Initiated a comprehensive review of the provincial tax system.
Budget 2016 provided several commitments with respect to the provincial tax system with the objective to ensure the tax system is competitive and fair to all residents, including seniors and people living on fixed incomes. Specifically, Government committed to:
 - Completing a comprehensive independent review of the tax system, including tax expenditures.
 - Identifying ways to simplify the tax system and reduce costs for both government and taxpayers.
 - Reviewing the current mining tax regime to ensure that it is competitive.
 - Supporting business by providing labour-based tax incentives for emerging industries.
 - Offering tax incentives for employers in the skilled trades who increase the number of apprentices they take on.

The provincial tax review was deferred in 2016-17 due to the significant tax measures that were announced in Budget 2016. It was determined that the data required to perform the review needed to incorporate these new tax changes, which would not be available until the 2017-18 fiscal year.

In addition, the federal government had undertaken a tax expenditure review of the national taxation system, the results of which were announced on March 22, 2017 in the 2017 Federal Budget. Because many of the features of the provincial tax system are impacted by the federal tax system, the review of the provincial tax system was put on hold until the 2017-18 fiscal year.

The Department did however complete some planning work during 2016-17 to prepare for completion of the review. This included assessing options for defining the scope and structure of the tax review; the composition of a Tax Review Committee; the methodology for the review; the determination of the principles that will guide the review; the identification of the resources necessary to complete the

review; and the determination of appropriate reporting mechanisms, once the review is completed.

- Continued to support the implementation of initiatives to address the unfunded liabilities related to provincial pension plans.

During the 2016-17 fiscal year, the Department continued to work towards the implementation of the pension reform agreements for the Public Service Pension Plan and the Teachers' Pension Plan. The following was accomplished for each pension plan:

- Teachers' Pension Plan:

The Department of Finance worked with legislative counsel to draft amendments to the Pensions Funding Act and the Teacher's Pensions Act. These amendments were necessary to implement the requirements of the Joint Sponsorship Agreement, which primarily included:

- Establishment of the Teachers' Pension Plan (TPP) Corporation, which would act as administrator of the pension plan and trustee of the fund.
- Transferring the assets relating to the teachers' pension plan from the Pooled Pension Fund to the TPP Fund.
- Provision for future administration of the TPP and management of the TPP Fund by the TPP Corporation.

First reading of Bill 28 occurred on May 26, 2016 and royal assent was received on June 7, 2016. Amendments were proclaimed in various stages based upon the completion of other critical pieces of work.

Additionally, the Department of Finance supported the appointments of government representatives to the Board of Directors for the TPP Corporation, which is an independent process managed by the Public Service Commission (PSC). The Department of Finance worked with the PSC to develop a board profile for posting on the website; assisted in the screening process; and then prepared appointment recommendations for Government consideration, based upon references received from the Independent Appointments Commission. Board appointments for government representatives came into effect on August 23, 2016.

The Joint Sponsorship Agreement provided the TPP Corporation the ability to contract Government for the continued administration of the TPP and pension fund investment services during the transition period. As such, during the 2016-17 fiscal year, the Department of Finance, with the assistance of legal counsel, worked with the TPP Corporation to establish a Service Level Agreement. This agreement was signed on August 31, 2016 for a 12 month term, renewable for a further 12 month term, on a cost recovery basis.

The Department of Finance also worked with Government's actuary and the TPP Corporation to identify and transfer the related financial assets (approximately \$3

Billion) from the Newfoundland and Labrador Pooled Pension Fund to a separate Teachers' Pension Fund. The fund transfer came into effective on August 31, 2016.

- Public Service Pension Plan:
During the 2016-17 fiscal year, the Department of Finance worked with Provident¹⁰ (formerly known as the Public Service Pension Plan (PSPP) Corporation), to transfer applicable staff and information resources necessary to support the administration and investment management of the public service pension plan.

4.3 Issue #3 – Quality of Quantitative Information

The Province of Newfoundland and Labrador is facing a very serious fiscal situation. However, this Government has taken a smart, focused approach and put forward a credible plan to redesign itself to address the economic, social and fiscal challenges. As outlined in *The Way Forward*, this Government will make significant policy changes over the next few years to realize its vision of a strong and diversified Province with a high standard of living. Now more than ever, rigorous evidence-based decision-making is required to determine how projects, as well as programs and services are supported. This requires sound, accurate and reliable quantitative data and analytical capacity to monitor the socio-economic growth and development of this Province.

The Department of Finance is the central office of Government responsible for providing economic and statistical advice. Through the Statistics Agency Act, it is responsible for planning, promoting, developing and integrating social and economic statistics relevant to the Province. This responsibility includes the collection, compilation, analysis and publishing of statistical information; and the establishing of appropriate standards, systems and procedures for the collection of information by government departments. It also includes the development of reliable and timely data required for evidence-based policy analysis, economic forecasting and analysis, demographic analysis, population projections, and economic impact analysis. As such, the Department of Finance identified the following goal in its 2014-17 Strategic Plan:

By March 31, 2017, the Department of Finance will have improved the quality of Government's quantitative information in support of informed decision-making, based upon accurate, timely and empirical data.

Summary of Progress towards the Goal:

During the 2014-17 planning cycle, the Department of Finance supported the improved quality of Government's quantitative information, as evidenced by the following performance on its key indicators of success (as defined in the 2014-17 Strategic Plan):

- **Improved efficiency in the collection and analysis of socio-economic data**
Over the past three years, the Department of Finance has worked to improve Government's efficiency in the collection and analysis of socio-economic data. Several years ago, government departments were meeting their quantitative and statistical data and analytical needs (e.g., surveys, administrative data design, data purchasing, spatial analysis, etc.) through a variety of approaches which included development of their own in-house expertise, engagement of external consultations and/or the utilization of the Department of Finance. This resulted in inconsistent approaches to data collection that did not meet the standards established by the national statistics agency (Statistics Canada) for data quality used for decision-making. The Department of Finance therefore identified an opportunity to improve upon the collection and analysis of socio-economic data by developing a coordinated approach across Government for such activities as survey development, administration and analysis; and administrative database development.

All government departments were therefore advised the Department of Finance is the primary point of contact for surveys and has a legislative role to establish appropriate standards, systems and procedures for the collection of information by departments. Through the Newfoundland and Labrador Statistics Agency (NLSA), with the support of Statistics Canada, much work has been completed to ensure our Province has the capacity to meet national and international standards thus providing our decision makers with quality information in the most cost efficient manner possible. Improved methods were implemented as well as multimode data collection capacity, including the capacity to conduct online surveys with the general public. Through this survey capacity, Government is able to improve the quality and confidentiality of the data collected.

The Department of Finance was also able to identify missed opportunities to collect statistical data that could then be used to support policy development and planning at the program level. The management of many Government programs requires the development of administrative database systems, the purpose of which is to collect socio-economic information for administering government programs. The development of such databases provides opportunity to collect information for more than just program administration. Such databases can also be designed to collect vital information that can be used to support evidenced-based decision making at the program level. As such, the Department of Finance partnered with the Office of the Chief Information Officer to identify opportunities within the development process where the Department of Finance may be engaged to work with the client department to ensure that the data analysis and reporting requirements of the client department are considered during the development/modification of databases.

- Improved the availability, accessibility, and dissemination of quantitative data
Within the past couple of years, the Department of Finance took on responsibility for the collection and development of provincial road collision data. This data is used for various program decision-making purposes by the Department of Transportation and Works; Service NL; the Department of Justice and Public Safety; as well as the Royal Newfoundland Constabulary. Challenges were experienced related to collection, analysis and dissemination of this data and opportunities were missed to improve upon the information available to support efficient decision-making. As such, the Department has been working to address these issues. Most recently, the Department has been able to reduce the lag time between receipt of the collision data and upload to the database from 10 months to 1 month, which has greatly improved upon the timeliness and the availability of accurate data for client departments.

Community Accounts (www.communityaccounts.ca) is an online service that provides users with a single comprehensive source of community, regional, and provincial data. This innovative system allows users to custom generate a limitless number of tables and illustrative graphics on key social and economic indicators which can then be used to develop a better understanding of the factors that determine the well-being status and progress of communities and regions within the Province. Over the last three years, numerous new data sets have been added to Community Accounts, thereby improving upon the availability, accessibility, and dissemination of quantitative data. These new data sets include:

- A large climate dataset for the weather stations in the Province providing daily, monthly and quarterly statistics over time, as well as developing a series of interactive charts to allow users to explore the information more thoroughly.
 - Annual community population estimates to provide essential community population estimates for non-census years.
 - Demographic information of workers who live in Newfoundland and Labrador and work elsewhere in Canada. Information on the number of workers, earnings, age, gender and industry is available with some information available by Rural Secretariat Region.
 - Annual data displaying the number of new construction building permits and dollar value by community, regional local area, provinces and Canada for 2000-2015.
- Enhanced the value-for-money of quantitative data
The Department of Finance created opportunities for other government departments to realize cost savings through the introduction of multimode data collection capacity, including online surveys. This is evidenced by the increase use of online data collection services, which has both reduced the cost of telephone interviewing as well as reduced the need to engage external consultants for similar work. With the enhanced engagement of Department of Finance across Government in data collection activities, the security and the validity of the data collected has improved because such activity is conducted in accordance with the standards and protocols established by the national statistics agency.

Summary of Progress towards the 2016-17 Objective:

During the 2016-17 fiscal year, the Department continued to improve upon the quality of Government's quantitative data by establishing the following objective:

By March 31, 2017, the Department of Finance will have initiated the assessment of its initiatives to determine their impact on the quality of Government's quantitative data and analysis.

The following results were achieved towards the Department's key indicators of success:

- Reviewed Government's current administrative data sources to determine further opportunities for dissemination and where appropriate, initiated dissemination of those determined to support access to quality information used for evidence-based decisions.

During 2016-17, the Department of Finance reviewed opportunities to use current administrative data sources for potential dissemination to support further evidence-based decision-making. Where it was determined appropriate to do so, those administrative data sources were disseminated accordingly to principal decision-makers. The following are examples:

- Maintained and ensured timeliness and ease of access to municipal financial data for the Department of Municipal Affairs and Environment to assist them in their evidence-based decision making as it relates to the administration of their programs and services.
- Provided training and access to the Collision Database Management System (CDMS) to Service NL staff so that they have easy access to up-to-date collision data.
- Publically disseminated community and regional population estimates through the Community Accounts (www.communityaccounts.ca) utilizing MCP registration data as the base, supplemented by births and deaths administrative data.
- Developed maps for other government departments to assist in their decision-making processes about the provision of their services. These maps were developed from their administrative data (e.g. census geographies, economic zones, administrative boundaries, etc.) to visually display a variety of variables (e.g., population changes or median age). Other types of maps developed displayed where certain features (such as schools, courts, and hospitals) are located within the Province.
- Disseminated, via Community Accounts, detailed profiles of employment insurance and income support clients at the community and regional level.
- Released a new dynamic spatial mapping component through Community Accounts to allow for visualization of tabular data through interactive maps.
- Provided publishing capacity across Government in support of proactive disclosure of data and information.

- Supported the application of standard statistical methods to the collection of quantitative data required to support evidenced-based decision-making. During 2016-17, the Department of Finance supported the application of standard statistical methods as follows:
 - In-house capacity was developed to ensure proper statistical methods are applied to data collection activities to produce information of an acceptable quality necessary for evidence-based decision making.
 - New technology was incorporated into data collection processes with the utilization of multimode data collection that allows for the selection of a method or combination of methods to ensure the best quality information in the most cost effective manner. These statistical methods and new capabilities are now being expanded across Government to reduce duplication of services resulting in further efficiencies and improvements in data quality.
 - Maintained and made available a provincial postal code conversion file which allows postal code variables to be grouped into customized categories to validate information and conduct detailed analysis at the regional level. For example, regionalized health data can be produced from provincial level data by using the postal code conversion file.
 - Methodological changes to the number and location of samples for the collection of Nutritious Food Data to improve upon the data quality estimates of weekly food costs. This data is used to calculate the Newfoundland Labrador Market Basket Measure (NLMBM) which is a key measure of low income within this Province.

- Supported the development of labour market information that is reflective of current economic conditions. The Department of Finance completed the following to support the development of labour market information that is reflective of current economic conditions:
 - Published the most current inter-provincial worker data on Community Accounts.
 - Developed and published a new construction building permits data series on Community Accounts.
 - Developed and published an annual profile series of minimum wage workers.
 - Participated in the “Place of Work” consortium with Statistics Canada to ensure the availability of work flow data from the 2016 census.
 - Developed occupational projections.
 - Worked closely with the Income Statistics Division at Statistics Canada to remotely access the Newfoundland and Labrador Longitudinal Administrative Databank (NLAD), which is a cost effective and efficient way to obtain labour market data.

- Assessed the level of improvement in data quality resulting from various initiatives implemented. During the 2016-17 fiscal year, the Department of Finance assessed various areas where initiatives were implemented in effort to improve upon the quality of quantitative data. The following performance is noted:

- Several years ago the Department assumed responsibility for the Collision Database Management System (CDMS), which is used by a variety of clients. Since taking on responsibility for the data maintained in this database, the Department has been able to improve upon its timeliness by reducing lag time between receipt of data and input into the CDMS from 10 months to 1 month.
- The incorporation of new on-line technology into data collection has reduced survey administration timeframes and associated delivery costs, improved response rates and also reduced costs for printing and mailing.
- Due to the development of a more efficient data collection process for the tourist visitor exit survey, the Department of Tourism, Culture, Industry and Innovation (TCII) has experienced a 45% improvement in number of responses.
- The methodological changes described previously in number and spatial location of samples for the Nutritious Food Basket Survey has improved data quality estimates for regions of the Province.
- Through its work with Statistics Canada on the Newfoundland and Labrador Longitudinal Administrative Databank (NLAD), current gaps in the Province's labour market data have been addressed.

5.0 Opportunities and Challenges

Since taking office in December 2015, this Government has achieved significant progress towards addressing the provincial financial crisis, positioning the Province for success and realization of its potential. The Province is still on track to realizing a surplus budget in 2022-23 and remains committed to achieving the deficit reduction target set for 2017-18.

Execution of the provincial borrowing strategy has also helped to address the financial crisis. For 2017-18, Government will no longer borrow for operations – the focus is now on strategic borrowing for provincial commitments such as Nalcor equity, debt repayment, pension promissory notes, and multi-year infrastructure plan. Borrowing requirements have been less than expected and projected borrowing needs are also less than originally anticipated. Since January 2016, \$4.9 billion in borrowing has been completed and Government is no longer relying on short term T-Bills to meet long term borrowing requirements, which is a more cost efficient means of borrowing. The priority now is to reduce the cost of borrowing.

Work also continues to reduce spending in Government and this focus has now been extended to government agencies through such actions as expenditure reviews; and shifting organizational cultures to focus on eliminating waste and efficiency improvements. Government also continues to take a strategic approach to revenue planning and has modified its oil revenue risk adjustment to reflect oil price volatility over the medium to long terms. This Government has also committed to taking action to mitigate high electricity rates. Nalcor has been directed to source opportunities to lower rates in the future. The preliminary rate management reserve has been identified for this purpose.

Many opportunities exist for Government to continue to improve upon the financial sustainability and growth of this Province and for the Department of Finance to support these efforts. With The Way Forward providing the guiding principles to develop a smarter approach to governance and management, Government is methodically and responsibly redesigning itself to address the economic, social and fiscal challenges.

However, the magnitude of the fiscal challenge cannot be understated. Despite the significant accomplishments, Government will continue to be challenged primarily because of its reliance on unpredictable revenue sources such as the oil industry. The Department of Finance will continue to support Government to redesign itself and address the fiscal issues of this Province by working towards the commitments outlined in The Way Forward. Specifically, it will lead the implementation of a government-wide shared services model for back-office functions; undertake a comprehensive review of the current provincial tax system; work with its partners to implement more effective business financing; support the expanded role of the government-wide audit committee;

undertake expenditures reviews with agencies, boards and commissions; consolidate government collections; support the implementation of a strategic one-window, multi-year approach to community grant funding; and continue to utilize a zero-based approach to the annual budget process.

6.0 Financial Information

Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2017 (unaudited).

	Actual	Estimates	
	\$	Amended	Original
	\$	\$	\$
EXECUTIVE AND SUPPORT SERVICES			
1.1.01 Minister's Office	211,758	264,900	264,900
General Administration			
1.2.01 Executive Support	1,952,773	1,974,200	1,341,300
1.2.02 Administrative Support – Current	367,705	384,000	334,800
1.2.03 Administrative Support – Capital	-	100	100
Total: General Administration	2,320,478	2,358,300	1,676,200
General Government			
1.3.01 Government Personnel Costs	70,565,304	80,149,700	82,831,300
TOTAL: EXECUTIVE AND SUPPORT SERVICES	73,097,540	82,772,900	84,772,400
FINANCIAL ADMINISTRATION			
Financial Planning and Benefits Administration			
2.1.01 Pensions Administration	(235,682)	(282,800)	(200,000)
2.1.02 Treasury Board and Budgeting Operations	1,480,460	1,512,400	1,484,900
2.1.03 Insurance	298,695	304,100	273,200
2.1.04 Debt Management	381,402	390,300	570,300
2.1.04 Financial Assistance – Current	-	2,460,800	4,738,200
2.1.05 Financial Assistance – Capital	1,450,363	12,898,400	26,575,400
Total: Financial Planning and Benefits Administration	474,512	17,283,200	33,442,000
Fiscal and Economic Policy			
2.2.01 Tax Policy	2,262,380	1,130,900	246,400
2.2.02 Fiscal Policy	373,929	392,100	391,600
2.2.03 Project Analysis	359,920	452,600	510,600
2.2.04 Economics and Statistics	4,438,111	4,772,100	4,921,900
Total: Fiscal and Economic Policy	7,434,340	6,747,700	6,070,500
Office of the Comptroller General			
2.3.01 Office of the Comptroller General	10,511,437	10,908,600	11,273,300
Total: Office of the Comptroller General	10,511,437	10,908,600	11,273,300
TOTAL: FINANCIAL ADMINISTRATION	18,420,289	34,939,500	50,785,800
TOTAL: DEPARTMENT (NET)	91,517,829	117,172,400	135,558,200