

4.2 Delegation of Financial Authority

Policy Statement

It is the policy of the Province of Nova Scotia that only those with financial signing authority may authorize expenditures. Financial authority may be delegated within the business units of the government.

Authority

The *Finance Act*, Section 21(6), states the Deputy Minister [of Finance] shall not authorize a payment out of the General Revenue Fund until the Deputy Minister [of Finance] is satisfied that the proposed payment has been examined and certified by the head of the applicable appropriated entity, or by some authorized official of such entity, and the request for payment so certified must be retained by the applicable appropriated entity as a document for such payment.

Definitions

FINANCIAL SIGNING AUTHORITY

The authority to approve expenditures on behalf of the Province of Nova Scotia, by way of personal signature or electronic means. Signing authority can be granted for specific purposes such as purchase requisitions, payment of accounts, casual and overtime payroll, government services, and/or journal entries.

Policy Objectives

The purpose of this policy is to ensure that the requirements for financial authority are communicated to those who are granting financial authority to others and to those individuals who need to assess if authority has been given. This authority ensures appropriate control over the government's financial commitments and disbursements and the accounting entries in the books of account of the Government.

Application

This policy applies to all government departments and public service votes.

Policy Directives

Financial authority for government departments and public service votes begins with the appropriation of spending limits through the budgetary process in the legislature, thus creating the ministerial budget authority. The ministerial authority delegates financial signing authority to the deputy ministers within the departments. Further delegation usually occurs from the deputy to the applicable directors who then authorize/approve budgeted expenditures within their areas of responsibility.

Directors may further delegate financial authority within the applicable business unit. Financial authority must be delegated by way of formal documentation (using the Signing Authority form in Appendix 4-C), which is to be held on file within the department. Signing authorities should be reviewed periodically to ensure that they are still valid. As staff changes are made, the signing authorities should be updated.

From time to time, the ministerial authority may issue specific directives limiting the financial authority for specific expenditure accounts. This limitation of financial authority will be communicated by way of memorandum and will override the general financial authority to approve budgeted expenditures.

Signing authority can also be delegated to a position by Corporate Administrative policy. For example, the corporate Travel Policy provides signing authority to the lead position in an Organizational Unit. There is no requirement to complete the Signing Authority form in such circumstances.

CLASSES OF SIGNING AUTHORITY

Regular

No longer than three years.

Temporary

Authorized for a short period only, such as during a term of temporary assignment.

Acting For

Used when a person is assigned the authority for someone who is absent from the position. (All account numbers do not have to be listed, as they are in the incumbent's file.)

Policy

Provided by Corporate Administrative policy for limited circumstances and valid for as long as the individual meets the required policy criteria.

Accountability

Government Accounting is responsible for policy development and enhancement. Departments and public service votes are responsible for policy implementation and compliance.

Departments should retain current and proper signing authority documentation on file and ensure verification of signing authorities as a control/compliance procedure prior to processing accounting transactions.

Monitoring

Government Accounting is responsible for updating this policy. Departmental Financial Services Divisions/Corporate Service Units are responsible for monitoring the policy's implementation, performance, and effectiveness.

Appendix

Appendix 4-C Financial Services Signing Authorities

Enquiries

Executive Director, Government Accounting
Department of Finance
(902) 424-7021

Approval date: **January 9, 2003**
Approved by: **Executive Council**

Effective date: **July 5, 2001**
Administrative update: **November 5, 2015**

Appendix 4-C

Financial Services Signing Authorities

NAME _____ TITLE _____ DEPARTMENT / DIVISION _____

PHONE NUMBER _____

TERM OF AUTHORITY	<input type="checkbox"/> Permanent	<input type="checkbox"/> 1 Year	<input type="checkbox"/> 2 Year	<input type="checkbox"/> 3 Year
	<input type="checkbox"/> Temporary	Duration	FROM _____	TO _____
			M / D / Y	M / D / Y
IF TEMPORARY				
Acting For	_____		Title	_____
Renewal Date	_____			
	M / D / Y			

GENERAL

- Public Tenders Office
- DPO (Departmental Purchase Order)
- Printing / Publishing Requisitions

FINANCIAL

- Purchase Req.
- Payment of Acct.
- Journal Entries
- Travel

Code	Dept.	Cost Centre	G/L Account	Limits If Any	Remarks or Descriptions

M / D / Y	Employee	Signature
M / D / Y	Director	Signature
M / D / Y	Deputy Minister	Signature