



RECEIVER GENERAL MANUAL

CHAPTER 2

AUTHORITIES

Last Update: 1999-04-27



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Government Operational
Service

Service opérationnel
au gouvernement

Canada

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2.1 BACKGROUND

In November 1995, the Treasury Board of Canada considered and approved an aide-mémoire on the updated Financial Information Strategy (FIS) approach for the Government of Canada. Treasury Board endorsed FIS as a government priority and approved the Strategy's objectives, scope and implementation approach. Accrual accounting, which forms part of the accounting requirements of FIS was supported as a government priority in the 1995 budget:

- ▼ “the government intends to adopt full accrual accounting, which is comparable to private sector practice. The principal changes will be the capitalization of physical assets and accounting of tax revenues on an accrual rather than cash basis. This change will better enable the government to report the true cost of programs and improve accountability.”

2.2 RESPONSIBILITIES

Responsibility for accounting in the Government of Canada is divided. Some responsibilities are allocated to the Receiver General for Canada; others to individual departments and agencies. Treasury Board has the authority to prescribe the manner and form of the accounts of Canada and of departmental accounts. Departmental systems must be maintained to satisfy the requirements of the *Financial Administration Act*, the policies and regulations of Treasury Board and the requirements of the Receiver General.

Departmental responsibilities include the establishment and maintenance of adequate systems to account for, control and report on financial, human and physical resources within a department's purview. This includes the main departmental accounting system and related subsidiary systems, as well as all systems linked with authorizing and recording expenditures, collecting and recording revenue, accounting for custody and use of physical assets, and collecting, recording and reporting financial or related non-financial information used in evaluating the efficiency of departmental projects and programs.

The implementation of FIS has also meant the modernization and, in some instances, development of government-wide accounting policies for:

- ▼ corporate information requirements
- ▼ accrual of tax revenue
- ▼ consolidation
- ▼ foreign cheque issue

- v accruals
- v capitalization of assets
- v electronic authorization and authentication
- v interdepartmental financial transactions
- v prepaid expenses and inventories
- v appropriations
- v accounting for environmental liabilities
- v government-wide chart of accounts.

2.3 AUTHORITIES

The Receiver General Manual is being issued under the authority of the *Financial Administration Act* (mainly sections 63, 64 and 65). Note that in some instances, the act is also undergoing revision. For more information, consult the appropriate section of the Treasury Board Manual - Comptrollership, which replaces the old Guide on Financial Administration and provides policy details. A listing of contents of the Treasury Board Manual - Comptrollership can be accessed via the Treasury Board Internet site (http://www.tbs-sct.gc.ca/pubpol_e.html).

Those seeking more information on a particular topic should also check the listings of recently issued Receiver General directives and bulletins available from the main menu of the Receiver General Manual site (<http://publiservice.pwgsc.gc.ca/cars-sccr/text/recgen-e.html>).

As part of its FIS mandate, the Government Operational Service, Public Works and Government Services Canada (PWGSC) must ensure that communication with other government departments and agencies takes place in a co-ordinated fashion. Specifically, the Central Accounting Systems Directorate (CASD) of the Central Accounting and Reporting Sector must disseminate general FIS information to client departments which includes the details to help departments become FIS-ready and to operate under FIS. The Director, CASD may be reached at (819) 956-5286. It is under this mandate that PWGSC is issuing this Receiver General Manual and making it available to clients.

Please refer to Section 1.6 (Chapter 1, Introduction) of this manual for points of contact within Government Operational Service concerning its content and distribution.