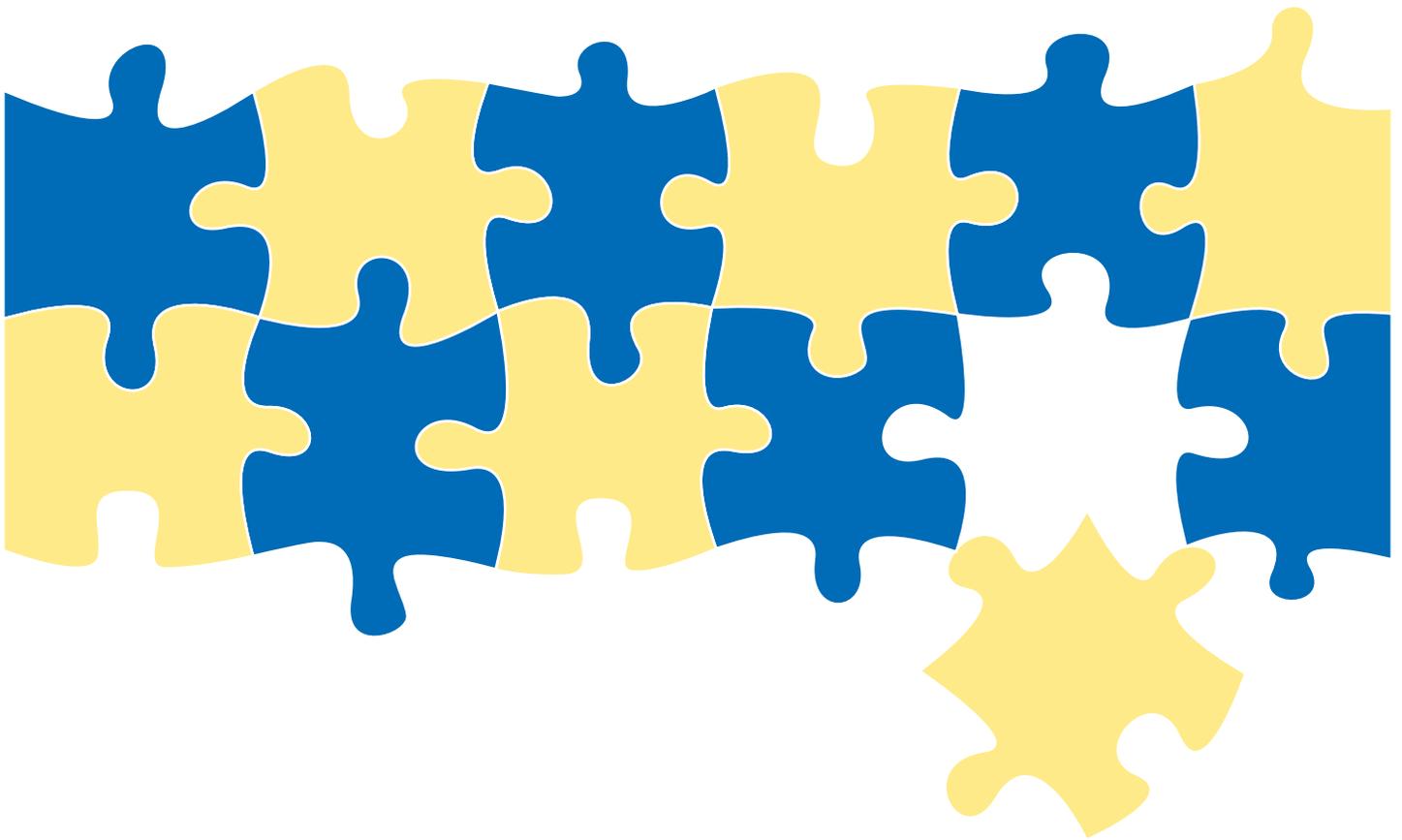


Governing in the Public Sector:

A Guide for Province of Nova Scotia
Government Agencies



Governing in the Public Sector:

A Guide for Province of Nova Scotia Government Agencies

Executive Council Office
October 2011

This document is available at http://www.gov.ns.ca/exec_council/abc/

For further information please contact

Executive Council Office
1700 Granville Street
P.O. Box 2125 Stn Central
Halifax, Nova Scotia B3J 3B7
(902) 424-8910
execounc@gov.ns.ca

© Crown copyright, Province of Nova Scotia, 2011
ISBN: 978-1-55457-445-2

Governing in the Public Sector:

A Guide for Province of Nova Scotia Government Agencies

Table of Contents

Introduction	1
What is a Government Agency?	2
Financial Consolidation	3
Appointments to Government Agencies	4
Governance and Accountability in the Public Sector	5
Accountability to Ministers	6
Role of the Responsible Minister	7
Role of the Board	8
Role of the Chair	8
Duties of Individual Directors	9
Role of the Chief Executive Officer / Management	10
Key Relationships	11
Communications	12
Statutes of General Application and Policy Manuals	13
Further Information	13
Endnotes	14
References	15
Appendix A – List of Government Agencies as of April 1, 2011	16
Appendix B – Glossary of Terms	18
Appendix C – Summary of Statutes and Policy Manuals	22
Appendix D – Reference Materials	26

Introduction

This is a time of renewed focus on governance and accountability in both the private and public sectors.

This publication will provide you with background information to help prepare you for your role as a director of a government agency in the Nova Scotia public sector. The information is intended to supplement each government agency's governance policy and the purpose-specific orientation that the agency provides to its directors when they assume their duties. The document is not an exhaustive discussion of the topics presented; rather, it is designed to assist both new and returning directors in their governance and oversight roles, and to promote further independent study.

The following materials appear as appendixes to assist readers:

- Appendix A – List of Government Agencies as of April 1, 2011
- Appendix B – Glossary of Terms: includes specific terms applicable to governing in the public sector
- Appendix C – Summary of Statutes and Policy Manuals: provides an overview of legislation and government policies with which directors of all government agencies should be familiar
- Appendix D – Reference Materials: contains a list of governance reference sources

These materials have been compiled after consultation with ministers, deputy ministers, departmental staff, and representatives of government agencies. Your feedback on the content and presentation would be greatly appreciated. It is expected that this publication will evolve over time to reflect feedback and advances in governance and accountability practices.



What is a Government Agency?

Government agencies¹ are separate corporate entities that operate outside the traditional departmental structure and provide various services to the Nova Scotia public. They are most commonly created through legislation, regulation, or incorporation under the Nova Scotia Companies Act. All instruments that create government agencies will be referred to in this document as “enabling legislation.” Not including specially created funds, there are approximately 60 government agencies that are responsible for a significant portion of provincial program expenditures. With some exceptions,² government agencies fall into the following categories:

- district health authorities
- school boards
- Crown corporations

The rights, privileges, and powers of a government agency are both established and limited by the provisions contained in its enabling legislation as well as in statutes of general application, such as the Finance Act and the Public Service Act, which are discussed in Appendix B. Directors should familiarize themselves with those provisions and ensure there are systems in place to ensure compliance.

Government interacts with agencies in connection with board composition, mandate, policy setting, and resources. The fact that government bears overall responsibility for provincial policy development and expenditures forms the backdrop for government’s relationships with agencies.

Financial Consolidation

The Province of Nova Scotia adheres to Canadian Generally Accepted Accounting Principles (GAAP), represented by accounting recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).³ This results in the inclusion of government agencies in the government reporting entity.

This is significant because it means that financial statements for individual government agencies are consolidated into financial statements for the government reporting entity (Public Accounts). In addition, reporting and accountability requirements contained in legislation of general application, such as the Finance Act, apply to government agencies in addition to requirements contained in their enabling legislation.

Directors, therefore, need to be familiar with both entity-specific financial reporting requirements and any requirements that apply as a consequence of their agencies being part of the government reporting entity. These materials have been prepared with that in mind and will help directors understand the unique nature of governing in the public sector.

Appointments to Government Agencies

The enabling legislation for a government agency establishes how directors are appointed. In most circumstances, directors are appointed/elected for a finite term in one of the following ways:

Governor in Council (GIC) Appointment

GIC appointments require the approval of Executive Council and the Lieutenant Governor and result in an order in council.

Ministerial Appointment

Ministerial appointments are made by the minister responsible for the agency's enabling legislation. These appointments are forwarded to the Executive Council for information purposes.

Board Election

Board elections often require shareholder/ministerial approval.

Public Election

School boards are currently the only government agencies for which directors are elected by the public.

Some appointments are made by the minister or Governor in Council on the nomination or recommendation of a particular group or organization. For example, community health boards make nominations to the Minister of Health in respect to some positions on district health authority boards. Once an appointment is made, every director has the same duties, responsibilities, and accountabilities to the agency and its responsible minister.

The province will indemnify persons who are appointed as directors by Governor in Council or ministerial appointment if the selection of the person was at the sole discretion of the Governor in Council or the minister making the appointment, and the claim arises out of the person's activities in relation to the appointment and is not based in fraud or criminal activity.⁴ Such an indemnity may also be provided by order in council. In circumstances where the provincial indemnity does not apply, directors should inquire as to what indemnity/insurance their agencies provide.

Governance and Accountability in the Public Sector

Corporate governance has been defined as “the process and structure for overseeing the direction and management of a corporation so that it carries out its mandate and objectives effectively.”⁵ “There are several elements required in a sound governance system: clarity of objectives and expectations, clear lines of accountability, transparency in the application of and compliance with rules, and a culture based on a solid ethical foundation.”⁶ Good governance benefits directors, agency managers, and those who do business with and rely on the services delivered by the agency.

Over the last decade, securities regulators and governments have begun to define standards for corporate governance in publicly traded companies and government agencies respectively.⁷ Some standards are imposed through legislation or regulation while others are established through best practices that are transferred from one environment to another. Directors have a responsibility to ensure appropriate implementation in their own agency. Continuous improvement should always be the goal of governance initiatives.

Accountability is one aspect of a sound governance system. It is the obligation to answer for an assigned responsibility. Formal accountability requirements (e.g., audited financial statements and annual reports) are imposed on agencies by their enabling legislation and legislation of general application such as the Finance Act.

The autonomy of a government agency should not be misinterpreted as total independence from government oversight. Although policy decisions have been made to deliver some services through government agencies and outside of traditional departments, agencies are still accountable to their responsible ministers.

The terms independence and autonomy are often used synonymously to suggest a governing body’s unfettered right to conduct the affairs of the organization it represents. In reality, no public body is totally independent from the elected government which created it. However, many public bodies are autonomous in that they are self-governing within a larger framework of governance and exercise their decision-making powers within provincial government policy and legislation.

The autonomous status of public bodies does not exempt them from being accountable to designated Ministers. It is important to understand that public bodies are instruments of public policy that have been created for that purpose by government or the Legislature....⁸

Although many governance concepts can be transferred from the private to public sector, directors need to recognize the unique elements of governing in the public sector and their own agency’s relationship with government.

Accountability to Ministers

Each government agency is assigned a responsible minister either by legislation or order in council. For example, the Minister of Health is responsible for district health authorities and the Minister of Economic and Rural Development and Tourism is responsible for Nova Scotia Business Incorporated. Agencies are often assigned to the minister whose department works in areas most closely related to the business of the agency.

The minister responsible for a government agency is accountable to the legislature for the overall effectiveness of the agency in addition to being answerable for all of its activities, including its day-to-day operations.⁹ While the agency has a great deal of autonomy, the legislature will ultimately look to the minister to ensure that it is delivering efficiently and effectively on its mandate.

Ministers expect boards to

- report in a timely manner on activities, accountabilities, and financial performance
- ensure the agency's strategies are aligned with government priorities and direction
- ensure compliance with legislative authority
- maintain effective communications with the responsible minister
- be familiar with and understand the issues and trends affecting government
- be knowledgeable about government structure and key organizations

Role of the Responsible Minister

At a systemic level, ministers are responsible for¹⁰

- the legislation creating the agency
- making or recommending appointments to the agency's board of directors
- assessing the ongoing relevance of the agency's mandate
- providing broad policy direction to the agency on government's strategic priorities
- general guidance to the agency on the government's objectives and expectations

Depending on the agency, there may be areas in which it shares decision making with its responsible minister or Governor in Council; that is, a board of directors may be required to seek approval of the minister or an order in council to transact certain business or finalize certain operational decisions. For example, the making of bylaws by the board of directors of the Nova Scotia Liquor Corporation is subject to the approval of the Governor in Council.¹¹

Submissions by an agency to obtain an order in council must be made through the agency's responsible minister. Agencies are encouraged to work co-operatively with representatives of their minister's department as well as the Treasury Board Office, Office of Policy and Priorities, and Executive Council Office when preparing submissions for the consideration of Executive Council. Decisions of Executive Council will be communicated to the agency by the responsible minister.

There are a number of points of contact between an agency and government. The board chair and responsible minister should communicate regularly. Depending on the scope and complexity of the business of the government agency, there may also be interactions between government agency staff and the staff of the minister's office/department and other departments and offices (Finance, Public Service Commission, Treasury Board Office, Executive Council Office, and the Office of Policy and Priorities). The chief executive officer (CEO) of the agency may interact with the responsible minister and their deputy minister and other senior government officials. Despite this series of relationships, it is the responsible minister who speaks on behalf of government on matters affecting the agency.



Role of the Board

The board oversees the management, activities, and other affairs of the agency, and makes sure it operates within its enabling legislation and stated mandate. In some circumstances, legislation will define more specific responsibilities for a particular board. In general, the board is responsible for policy, direction, and oversight of the agency, including

- setting the strategic direction of the agency aligned with the priorities of government
- monitoring the agency's budget and ensuring required financial and other reporting are completed
- understanding the principal risks facing the agency and the systems/policies in place to minimize or manage those risks
- approving a communications policy for the agency in order to provide a framework for effective stakeholder relations
- establishing corporate values and fostering a culture of integrity
- monitoring the overall performance of the agency against pre-established targets
- organizing board activities including committees and director orientations
- employing the chief executive officer

Each agency should have its own corporate governance policy establishing the roles and responsibilities of the board as distinguished from management of the corporation, which is the responsibility of the CEO (as discussed below under Role of the Chief Executive Officer / Management). The CEO is responsible for implementing direction given by the board.

In addition, each agency should ensure that new board members are provided with a comprehensive orientation. In particular, new directors should be briefed on the mandate, nature, and operations of their agency (including its governance structure), the roles and responsibilities of the board, key legal and policy requirements, and the expectations of individual directors.

Role of the Chair

The chair is the leader and main spokesperson for the board. The chair sets the agenda and presides at board meetings, facilitating open and challenging discussion on all matters before the board. In addition, the chair's responsibilities include managing board affairs, ensuring effective board performance, facilitating board evaluations, managing conflicts of interest should they arise, and working with management.¹²

As the main point of contact between the board and the minister responsible for the agency, the chair should work to build a constructive relationship with the agency's responsible minister.

Duties of Individual Directors

Although the board works as a collective, directors have individual duties and responsibilities to fulfill to the best of their abilities.¹³ Directors should exercise their duties, keeping in mind the agency's place in the broader public sector, and each government agency should include a discussion of individual director's duties in its own governance policy.

Directors owe a fiduciary duty to their agencies. This requires each director to act honestly and in good faith with a view to the best interests of the agency in areas such as those listed below.

Avoiding conflicts of interest and the perception of conflict of interest

In general, a conflict of interest exists for a director who uses their position with an agency to benefit themselves, friends, or families. For example, a director should not

- directly or indirectly benefit from a transaction with the agency in respect to which the director can influence decisions made by the agency
- use their position with the agency to solicit clients for the director's business
- take personal advantage of an opportunity available to the agency unless the agency has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the public

Directors should also avoid situations in which their fiduciary duties to an agency conflict with their fiduciary duties to their employers, other corporations, or other entities of which they are members.

Maintaining appropriate confidentiality

Confidential information includes proprietary, technical, business, financial, legal, or any other information that the agency treats as confidential. Directors should not, either during or following the expiration of their appointments, disclose such information unless authorized to do so. Directors should never disclose or use confidential information gained by virtue of their association with the agency for personal gain or to benefit friends, relatives, or associates.

Directors also owe a duty of care. They are required to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. This is demonstrated through

- making decisions on the best evidence available
- reading board material in advance of meetings
- attending all meetings of the board
- asking relevant and probing questions, and being prepared to discuss all issues
- staying informed about the agency and the business it conducts

Discussion at board meetings should be well informed and challenging, with dissenting viewpoints respected. However, once a decision of the board is recorded, members should speak with one voice outside the boardroom and support the collective decision.

Role of the Chief Executive Officer / Management

Subject to requirements contained in enabling legislation, the board is responsible for the hiring of the CEO and other senior managers. Depending on the government agency, the board may require the approval of the responsible minister or Governor in Council before a final decision about hiring a CEO or other senior manager is made.¹⁴

The board and CEO should work to create a relationship of trust and openness while maintaining a clear understanding of each other's role in the agency. The board's governance policy should clearly delineate the role of the board to set and monitor direction and the role of the CEO / management to carry out the board's direction to ensure there is no confusion about their respective responsibilities.

The CEO is responsible for the staffing, management, and operations of the agency in accordance with the strategic direction provided by the board of directors. They are responsible to ensure that the board has all the information it needs to make informed decisions on matters within its mandate. The CEO and other senior managers should expect to be questioned on material presented and welcome constructive dialogue on proposals presented to the board.

The CEO should have a productive working relationship with government officials in the minister's office/department, including the deputy minister, and ensure that the minister is fully informed so they are not caught off-guard when called upon to answer questions about the agency.

Key Relationships

Although the minister is the main point of contact between an agency and the Crown, the board should be aware of other key relationships that need to be nurtured by agency staff to maximize the agency's effectiveness.

Deputy Ministers – Each responsible minister has at least one deputy minister (DM). Although there may not be a direct line between a DM and an agency, the DM is often called upon to provide advice to a minister on their entire portfolio, including the agency. In some cases, the DM is a board member appointed either by the agency's enabling legislation or by order in council.

The DM can provide an agency with information and guidance with respect to process. In addition, the DM can be a means of conveying information to a minister when they are unavailable in order to ensure the minister is fully informed of a situation at the first possible opportunity.

Departmental Staff – Depending on the agency, there will be more or less contact between departmental and agency staff. For some agencies, this contact may only occur at business planning or accountability reporting times. For others with more complex financial, human resource, or operational issues, the contact may be much more frequent (perhaps even daily) between appropriate individuals (e.g., directors of finance).

Executive Council Office, Office of Policy and Priorities, and Treasury Board Office – The civil service staff of these offices provide policy and financial analysis to support Executive Council and its committees.

Agencies will also have contact with other central agencies such as the Department of Finance and the Public Service Commission, depending on statutory requirements for review and approval of certain financial and human resource matters.



Communications

The public interest is best served where Government and the agency enter into a constructive exchange that ensures the open, timely and accurate flow of communications in both directions. Regular and informed dialogue between the board (Chair) and the responsible Minister is a key element of accountability and is fundamental to the proper discharge of the board's responsibilities.¹⁵

Although, as already discussed, the main communications link between the agency and government is the chair, there are other key relationships and communications links that an agency should use and understand.

As with most governance structures, there is no one-size-fits-all solution, so each agency must define its unique relationship with government. There are, however, common factors that agencies can adapt to their own circumstances:

- All agencies should have communications support and understand when it is appropriate to inform Communications Nova Scotia of initiatives that are to be publicly announced.
- Agencies should define their formal (statutory planning and reporting) and informal (meetings, phone calls) communications strategies depending on their statutory requirements and businesses.
- Agencies should always remember the rule of "no surprises" and ensure that their ministers are advised in advance of all matters in respect to which they may be called upon to answer.

Statutes of General Application and Policy Manuals

In addition to an entity's enabling legislation, directors should be familiar with the provisions of the statutes and policy manuals listed below, as these are applicable to most government agencies. The list is not exhaustive, however, as there may be statutes and policies that apply to only particular government agencies. Therefore, directors should make further inquiries in order to satisfy themselves that they are familiar with all legislation and policies that apply to their agencies.

Please see Appendix B for a brief discussion of each of the following:

Auditor General Act, S.N.S. 2010, c. 33.

Conflict of Interest Act, S.N.S. 2010, c. 35.

Freedom of Information and Protection of Privacy Act, S.N.S. 1993, c. 5.

Finance Act, S.N.S. 2010, c. 2.

Ombudsman Act, R.S.N.S. 1989, c. 327.

Public Procurement Act, S.N.S. 2011, c. 12.

Public Sector Compensation Disclosure Act, S.N.S. 2010, c. 43.

Public Service Act, R.S.N.S. 1989, c. 376.

Management Guide Manual 100, Province of Nova Scotia. 2010.

Budgeting and Financial Management Manual 200, Province of Nova Scotia. 2010.

Common Services Manual 300, Province of Nova Scotia. 2010.

Human Resources Management Manual 500, Province of Nova Scotia. 2010.

Province of Nova Scotia Sustainable Procurement Policy, Province of Nova Scotia. 2009.

Further Information

Appendix D provides information on further resources for individual study of the topics presented. Directors are encouraged to return to these resources throughout the course of their term.

Copies of this publication can be downloaded from www.gov.ns.ca/exec_council/abc.

Endnotes*

1. Public Service Act, R.S.N.S., 1989, c. 376, s. 10 defines the term “government agency.”
2. Examples of agencies outside of the four categories cited are the Nova Scotia Community College, Resource Recovery Fund Board, and AgraPoint International Inc.
3. For further information on the CICA, PSAB, and GAAP, see www.cica.ca.
4. Civil Service Act, s. 44A, and *Human Resources Management Manual 500*, c. 13.2.
5. *Status Report of the Federal Auditor General, 2005*, s. 7.9.
6. *Meeting the Expectations of Canadians*, p. 7.
7. *Toronto Stock Exchange Corporate Governance Guidelines* and *BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*.
8. *Excellence in Governance*, p. 3.
9. *Meeting the Expectations of Canadians*, p. 15.
10. Adapted from *Meeting the Expectations of Canadians*, p. 16.
11. Liquor Control Act, R.S.N.S. 1989, c. 260, s. 7H(1).
12. *BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*, p. 21.
13. This section is adopted from *BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*, p. 22, and the *BC Standards of Ethical Conduct for Directors of Public Sector Organizations*.
14. This is in addition to the requirements of the Personal Services Contract Regulations made under the Public Service Act. See Appendix C for further discussion of these regulations.
15. *BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*, p. 8.

* See References for complete citations.

References

Best Practice Guidelines: BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations. The Board Resourcing and Development Office of the Premier, Province of British Columbia. 2005.

<http://www.fin.gov.bc.ca/brdo/governance/index.asp>

Better Practice Guides – Public Sector Governance. Australian National Audit Office.

<http://www.anao.gov.au>

Corporate Governance Guidelines and Disclosure of Corporate Governance Practices. Toronto Stock Exchange. April 2005.

<http://www.tmx.com>

Directors of Crown Corporations: An Introductory Guide to their Roles and Responsibilities. Crown Corporations Directorate, Conference Board of Canada, and the Canadian Centre for Management Development. July 1993.

Excellence in Governance – Handbook for Public Sector Bodies and Orientation for Public Sector Bodies. Government of Newfoundland and Labrador. 2003.

February 2005 Status Report of the Auditor General of Canada. February 15, 2005.

http://www.oag-bvg.gc.ca/internet/English/parl_oag_200502_e_1121.html

Governance of Not-for-Profit Organizations – The Effective Not-for-Profit Board. Deloitte. 2004.

Meeting the Expectations of Canadians – Review of the Governance Framework for Canada’s Crown Corporations. Treasury Board Secretariat of Canada. 2005.

<http://www.tbs-sct.gc.ca/report/rev-exa/gfcc-cgse-eng.pdf>

Owners Expectations Manual for State-Owned Enterprises. Crown Company Monitoring Advisory Unit. New Zealand. 2007.

<http://www.comu.govt.nz/publications/guidance/owners-expectations-manual/soe/>

Public Accounts, 2010–2011. Province of Nova Scotia, Department of Finance. 2011.

<http://www.gov.ns.ca/finance/en/home/default.aspx>

The Standards of Ethical Conduct for Directors of Public Sector Organizations. Province of British Columbia. 2005.

<http://www.fin.gov.bc.ca/brdo/governance/index.asp>

Watson, Elizabeth. *20 Questions Directors Should Ask About Crown Corporation Governance.* Chartered Accountants of Canada. March 2007.

<http://www.rogb.ca/director-series/20-question-series/item36575.aspx>

Appendix A

List of Government Agencies as of April 1, 2011

3052155 Nova Scotia Limited
AgraPoint International Inc.
AgriTECH Park Inc.
Annapolis Valley District Health Authority
Annapolis Valley Regional School Board
Art Gallery of Nova Scotia
Cape Breton District Health Authority
Cape Breton–Victoria Regional School Board
Capital District Health Authority
Chignecto-Central Regional School Board
Colchester East Hants Health Authority
Conseil scolaire acadien provincial
Cumberland Health Authority
Film Nova Scotia
Guysborough Antigonish Strait Health Authority
Halifax-Dartmouth Bridge Commission
Halifax Regional School Board
Harbourside Commercial Park Inc.
Highway 104 Western Alignment Corporation
Izaak Walton Killam Health Centre
Law Reform Commission of Nova Scotia
Nova Scotia Business Inc.
Nova Scotia Community College
Nova Scotia Community College Foundation
Nova Scotia Crop and Livestock Insurance Commission
Nova Scotia Farm Loan Board
Nova Scotia Fisheries and Aquaculture Loan Board
Nova Scotia Gaming Corporation
Nova Scotia Health Research Foundation
Nova Scotia Housing Development Corporation
Nova Scotia Innovation Corporation / Bioscience Enterprise Centre Incorporated
Nova Scotia Lands Inc.
Nova Scotia Legal Aid Commission
Nova Scotia Liquor Corporation
Nova Scotia Municipal Finance Corporation
Nova Scotia Pension Agency
Nova Scotia Power Finance Corporation
Nova Scotia Primary Forest Products Marketing Board
Nova Scotia School Boards Association
Nova Scotia School Insurance Program Association
Nova Scotia Strategic Opportunities Funds Inc.

Nova Scotia Utility and Review Board
Pictou County Health Authority
Public Archives of Nova Scotia
Resource Recovery Fund Board Inc.
Sherbrooke Restoration Commission
South Shore District Health Authority
South Shore Regional School Board
South West Nova District Health Authority
Strait Regional School Board
Sydney Steel Corporation
Sydney Utilities Ltd.
Sydney Tar Ponds Agency
Trade Centre Limited
Tri-County Regional School Board
Waterfront Development Corporation Limited



Appendix B

Glossary of Terms

Cabinet

The common name used in place of Executive Council.

Cabinet Ministers

Members from the governing party, as selected by the premier, make up cabinet. Each minister is responsible for a portfolio or department, agency, board, or commission, and participates in making government policy/decisions. Ministers are responsible in law and accountable to the legislature for certain actions taken in departments.

Caucus

The group of elected Members of the Legislative Assembly belonging to a political party. A closed meeting of the members of a political party within a legislative body to decide upon questions of policy and selection of candidates for office.

Canadian Institute of Chartered Accountants (CICA)

The CICA conducts research into current business issues and supports the setting of accounting, auditing, and assurance standards for business, not-for-profit organizations, and government. It issues guidance on control and governance, publishes professional literature, develops continuing education programs, and represents the chartered accountant profession nationally and internationally.

Clerk of Executive Council

Person appointed to ensure that submissions to Executive Council meet legal requirements, prepare and process orders-in-council, and work with departments on Executive Council matters.

Communications Nova Scotia

The provincial government's central communications agency. Staff of the agency coordinate all government communication activities to ensure the public understands government initiatives.

Crown Corporation

A body corporate with legal power and capacity to carry on an industrial, financial, or other commercial enterprise. These agencies are designated as Crown corporations by their enabling legislation, by order in council, or by application of the criteria established under Section 71 of the Finance Act.

Deputy Head

The deputy of the member of executive council presiding over a department and all others who the Governor in Council from time to time designates as having the status of deputy head.

Deputy Minister

Individuals appointed by order in council as the chief administrative officers of departments who work under the direction of a minister and who perform duties assigned by the Governor in Council. The deputy minister is responsible for managing the day-to-day operations of the department as well as administering a department composed of non-partisan professional civil servants who carry out the policies and programs of government.

Enabling Legislation

The statute creating an agency, board, or commission.

Executive Branch

Generally referred to as government.

Executive Council

The decision-making body of the executive branch of the Government of Nova Scotia (see Cabinet).

Executive Council Office

Headed by the clerk of / secretary to the Executive Council, the office serves cabinet and its committees, the executive teams of Executive Council Office, Treasury Board Office, and the Office of Policy and Priorities, and departments, agencies, boards, and commissions by ensuring that the business of cabinet and its committees is conducted in a timely and efficient way, and that proper collective information is provided.

FOIPOP

Freedom of Information and Protection of Privacy Act, S.N.S. 1993, c. 5, provides access to most records under the control of the provincial government while protecting the privacy of individuals who do not want their personal information made public. The act strives for balance between the public's right to know and an individual's right to privacy.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP) encompass broad principles and conventions of general application together with rules and procedures that determine accepted accounting practices at a particular time. Establishing Generally Accepted Accounting Principles for any sector is an evolutionary process. GAAP involves and adapts to changes in economic or social conditions.

Governance Policy

A governance policy details the roles and responsibilities of the board and the governance processes used to fulfill them.

Government Business Enterprise

A self-sustaining organization that has the financial and operating authority to sell goods and services to individuals and non-government organizations as its principal activity and source of revenue.

Government Partnership Arrangement

A contractual arrangement between the government and a party or parties outside the government reporting entity.

Government Reporting Entity

The aggregate of all organizations that are part of or controlled, for accounting purposes, by the province and includes departments, governmental units, government business enterprises, government partnership arrangements, and Crown corporations, and, for greater certainty, does not include a university to which the Universities Assistance Act applies. Control is defined as the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the government from the other organization's activities. Control exists regardless of whether the government chooses not to exercise its power to govern so long as it has the ability to govern.

Governmental Units

A government organization that is not a governmental business enterprise. Governmental units include departments, public service votes, funds, agencies, service organizations, boards, and government not-for-profit organizations.

Governor in Council

The Executive Council, acting with the advice and consent of the Lieutenant Governor.

Lieutenant Governor

The Lieutenant Governor is the Queen's representative in Nova Scotia. The Lieutenant Governor gives royal assent to all bills passed by the legislature before they become law and also signs other official documents, such as proclamations, land patents, and orders-in-council appointing persons to government posts, including deputy ministers, provincial judges, and members of agencies, boards, and commissions. At the opening of a session of the legislature, the Lieutenant Governor reads the Speech from the Throne. Discretionary powers also include the finding and appointing of the First Minister (premier) and the swearing in of the members of the Executive Council.

Memorandum to Executive Council

A cabinet document that sets out proposals requiring policy decisions. The record of decision from a memorandum to Executive Council is a minute letter.

Ministers

Members of the Executive Council appointed to preside over a department pursuant to the Public Service Act.

Minute Letter

The record of decision following a memorandum to Executive Council. It is not a public document.

Office of Policy and Priorities

Headed by a deputy minister, the office provides to Executive Council and its committees advice and support pertaining to the identification, prioritization, and development of government policy issues, plans, and strategies.

Order in Council

An order of the Lieutenant Governor acting by and with the advice of the Executive Council (see Report and Recommendation to Executive Council).

Policy and Priorities Committee

A committee of the Executive Council charged with establishing plans and policies for the operation of the government and ensuring that they are developed in a coordinated manner.

Prerogative Power

An exclusive right or privilege held by a person or group, especially a heritage or official right.

Public Accounts

The financial statements of the province published on a yearly basis.

Public Sector Accounting Board (PSAB)

The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA) which has the authority to set accounting standards for the public sector.

Report and Recommendation to Executive Council (R&R)

A cabinet document in which matters are presented to the Executive Council for its consideration. Upon approval, an order in council is issued authorizing the action requested in the Report and Recommendation.

Statute

A law enacted by a legislative body and formally recorded in writing (see Enabling Legislation).

Treasury Board

A committee of the Executive Council charged with establishing plans and policies for the operation of the government of the province and ensuring that they are implemented in a coordinated and fiscally responsible manner.

Treasury Board Office

Headed by a deputy minister, the office provides financial analysis and support to Executive Council and its committees.

Appendix C

Summary of Statutes and Policy Manuals

Auditor General Act, S.N.S. 2010, c. 33.

This act grants the Auditor General the responsibility to examine the accounts of the province and its various agencies and the requirement for the Auditor General to report to the House of Assembly on the government's stewardship of public funds.

Further information on the Office of the Auditor General can be found at www.oag-ns.ca/.

Conflict of Interest Act, S.N.S. 2010, c. 35.

The act sets out conflict of interest rules for public employees.

A "public employee" is any person employed by a department and includes a member of the board of directors or the board of management of a department.

A "department" includes any board, commission, foundation, agency, association, or other body of persons whether incorporated or unincorporated, all the members of which or all the members of the board of management or board of directors of which

- (i) are appointed by an act of the legislature or by order of the Governor in Council, or
- (ii) where not so appointed, in the discharge of their duties are public officers or servants of Her Majesty in right of the province or for the proper discharge of their duties are, directly or indirectly, responsible to Her Majesty in right of the province.

Freedom of Information and Protection of Privacy Act, S.N.S. 1993, c. 5.

The Freedom of Information and Protection of Privacy Act (FOIPOP) provides access to most records under the control of the provincial government while protecting the privacy of individuals who do not want their personal information made public. The act strives for balance between the public's right to know and an individual's right to privacy.

The act supports the belief that every document, record, or file held by government, regardless of format, is subject to release to the general public. Exemptions from release are few and narrow in scope. These exemptions are designed to protect against the unreasonable invasion of personal privacy, to prevent unfair advantages occurring in commercial or government transactions, to protect law enforcement activities, and to safeguard the business conducted by government. Cabinet documents are subject to release under certain conditions. Cabinet discussions, 10 years or older, and background information, 5 years or older, must be released unless other restrictions apply.

The act does not apply to the following kinds of information:

- published information, material available for purchase, court records, and material that is a matter of public record
- archival material, including information at the Public Archives of Nova Scotia, that has been placed there by a government body
- records created or collected by the Conflict of Interest Commissioner, the Ombudsman, or a Review Officer relating to their statutory functions
- a record of a question that is to be used on an examination or test
- a record relating to a prosecution if all proceedings are incomplete
- private records deposited at the Public Archives of Nova Scotia

Also, the act does not apply to records of the legislature.

The act allows for the severing or extraction of information. If the information being sought is part of a record that is exempt from release but can be removed, then the information must be given to the applicant.

Further information on FOIPOP can be found at <http://www.gov.ns.ca/just/iap/>.www.gov.ns.ca/just/iap/.

Ombudsman Act, R.S.N.S. 1989, c. 327.

The Ombudsman Act establishes the Office of the Ombudsman, a unique office that provides independent, unbiased investigations into complaints against provincial and municipal government departments, agencies, boards, and commissions.

The Office of the Ombudsman is comprised of two sections: Investigation and Complaint Services, and Youth and Senior Services. The office also has responsibility for investigating complaints under the Civil Service Disclosure of Wrongdoing Regulations, which came into effect in September 2004.

The focus of the office is to resolve complaints about provincial and municipal government services. The office does this by

- gathering facts and information
- reporting findings
- issuing recommendations
- bringing reason and understanding to disputes

Further information on the Office of the Ombudsman can be found at www.gov.ns.ca/ombu/.

Finance Act, S.N.S. 2010, c. 2.

The Finance Act establishes the legislative framework around the budget, business planning, and accountability reporting processes for the government reporting entity.

Public Procurement Act, S.N.S. 2011, c. 12.

The objectives of the Public Procurement Act are to

- provide for the procurement of goods, services, construction, and facilities by public sector entities in a fair, open, consistent, and transparent manner resulting in best value
- encourage competition, innovative ideas, and solutions while respecting trade agreement obligations
- promote sustainable procurement in procurement decisions, including identifying and exploring opportunities to work with and support social enterprises and businesses that are owned by and who employ underrepresented populations

Public Sector Compensation Disclosure Act, S.N.S. 2010, c. 43.

The Public Sector Compensation Disclosure Act requires public sector bodies, including all members of the government reporting entity as defined in the Finance Act, to disclose to the public within six months after the end of each fiscal year the compensation paid to persons who received compensation of \$100,000 or more. The information is to be disclosed in the body's audited financial statements, in a separate statement prepared for purposes of the act or any other manner authorized by regulation.

The act applies to every "public sector entity," which includes all government reporting entities as that term is defined in the Finance Act (including school boards, health authorities, housing authorities, and Crown corporations).

Public Service Act, R.S.N.S. 1989, c. 376.

The Public Service Act creates all departments and offices of government and establishes certain accountability provisions relating to government agencies.

The Personal Services Contract Regulations made under the Public Service Act establish a requirement that all personal services contracts (employment) entered into by departments, offices, and government agencies be approved unless a specific exemption is granted. The threshold for approval of personal services contracts is based on total compensation packages, not just on salary.

Further information on the Personal Services Contract Regulations is provided in the Personal Services Contract Policy, which can be found at www.gov.ns.ca/treasuryboard/manuals/PDF/500/50202.pdf.

Management Manuals

The corporate administrative policies and procedures of the Government of Nova Scotia, as approved by Treasury and Policy Board, are contained in four Management Manuals:

Management Guide Manual 100

Documents the organizational structure of government and the delegation of responsibility to departments. This manual also outlines the Executive Council decision-making process and the planning, budgeting, and accountability framework for government.

Budgeting and Financial Management Manual 200

Documents the budgeting and budgetary control processes as well as accounting policies and procedures applicable across government.

Common Services Manual 300

Documents common operational services provided within government for the benefit of other entities.

Human Resources Management Manual 500

Documents the human resource policies and procedures that apply to all employees, except where superseded by collective agreements.

The Management Manuals have the following categories of applicability:

Category I

Direct application of the policies and procedures in the Management Manuals to departments, offices of government, and all public service votes, as well as any additional entities as indicated in a specific policy or procedure.

Category II

Direct application to Crown corporations, which are to use the policies and procedures in the Management Manuals to the extent that there is no conflict with their existing legislation, regulations, or existing contracts. Where possible and as appropriate, Crown corporations are to make their bylaws reflective of the policy objectives contained in the Management Manuals.

Category III

Other government agencies are asked to embrace the intent of the policies/procedures where to do so is determined reasonable for the efficient and effective operation of their agency.

The Management Manuals can be accessed at www.gov.ns.ca/treasuryboard/manuals.

Province of Nova Scotia Sustainable Procurement Policy

Information on procurement can be found at www.gov.ns.ca/tenders.

Appendix D

Reference Materials

Governance Organizations

Canada

Conference Board of Canada – Governance and Social Responsibility
www.conferenceboard.ca/topics/GSCR

Institute on Governance (Canada)
www.iog.ca

Canadian Comprehensive Auditing Foundation
www.ccaf-fcvi.com

Canadian Institute of Chartered Accountants
www.cica.ca

The Director's College
www.thedirectorscollege.com

Institute of Corporate Directors
www.icd.ca

International

ANZOG Institute for Governance
www.governanceinstitute.edu.au/

National Association of Corporate Directors
www.nacdonline.org

Organization for Economic Co-operation and Development
www.oecd.org

Information specifically related to government agencies

Canada

Government of Alberta
Treasury Board – Agency Governance Secretariat
www.treasuryboard.alberta.ca/AgencyGovernanceSecretariat.cfm

Province of British Columbia
Crown Agencies Secretariat
Board Resourcing and Development Office
www.gov.bc.ca

Crown Investments Corporation of Saskatchewan
www.cicorp.sk.ca

Province of Newfoundland and Labrador
Executive Council – Transparency and Accountability Office
www.exec.gov.nl.ca

Government of Canada
Treasury Board Secretariat – Crown Corporation Policy and Information
Auditor General of Canada
www.canada.gc.ca

Province of Ontario
Public Appointments Secretariat
www.pas.gov.on.ca

International

Australia National Audit Office
Better Practice Guidelines – Public Sector Governance 2003
www.anao.gov.au

Crown Company Monitoring Advisory Unit
www.ccm.au.govt.nz

