

Part: **General Information**
 Section: **Financial Management and Administration**
 Subsection: **Role of the Legislature to Control Public Money**

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Role of the Legislature to Control Public Money

Historical Perspective

The Legislative Assembly has the right to control public money. The right of the Legislative Assembly to control the raising and spending of public money by the Executive Council (i.e., Cabinet) is the legacy of the long struggle by the House of Commons of the United Kingdom to gain supremacy over the Monarch.

Grievance Before Supply

Early in the development of parliamentary government in England, the Monarch assembled landowners for advice. This group of advisors evolved into Parliament. Originally, the Crown authorized taxes and expenditures; however, eventually Parliament gained power over the Crown to determine taxes.

Parliament was summoned if the Crown needed money for a war. If Parliament authorized this money immediately, the Crown would dismiss the advisors and their opinions would not be heard. The advisors, therefore, refused to supply money until they were heard. The present-day item-by-item consideration of the estimates by the Legislature is based on this historic principle of ‘grievance before Supply.’¹

Gross Budgeting Concept

The central feature of control was the single fund into which all revenues that the House of Commons authorized the Monarch to collect were deposited and from which no expenditures could be made without the prior consent of Parliament.

This feature is present, today. It is known as the gross budgeting concept. *The Financial Administration Act, 1993* (FAA) requires all revenues to flow into the General Revenue Fund (GRF) for appropriation of the Legislative Assembly, unless an Act of the Legislature authorizes revenues to be paid elsewhere (section 19).

Legislative Control

The Province, through Canada’s constitution, has the power to raise funds primarily through taxation. Through statute, the Legislature sets the form and level of revenues.

All collections from the various revenue sources are deposited to the GRF, to be disbursed as authorized by the Legislature through appropriation. The Legislature also authorizes the undertaking of government programs in matters over which it has jurisdiction. Only

¹ Office of the Clerk of the Legislative Assembly of Saskatchewan (1982). *The Legislative Assembly Responsibility and Representation in Saskatchewan*. Pages 16-17.

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the Legislature has the ability to authorize the initiatives the Government may engage in and to authorize or appropriate moneys to be disbursed from the GRF.

Financial Process

The Government's fiscal year begins April 1. Prior to the start of each new fiscal year, the Minister of Finance presents to the Legislature the Government's financial plan for the forthcoming year. This is known as the Government's annual budget.

On Budget Day, the Minister of Finance presents the Budget Speech and tables the Provincial Budget and the Main Estimates. The budget is presented on a summary financial basis which includes the GRF and all other government entities. The estimates represent the Government's detailed expenditure plan for the GRF.

The estimates of ministerial spending have been reviewed by Treasury Board, which is a statutory committee of Cabinet, and approved by Cabinet. The estimates of spending for the Legislative Branch, except for the Provincial Auditor, have been reviewed and approved by the Board of Internal Economy, which is a statutory board of the Legislative Assembly. The estimates for the Provincial Auditor have been reviewed and approved by the Standing Committee on Public Accounts.

After the Budget Speech, in accordance with the [Rules and Procedures of the Legislative Assembly of Saskatchewan](#):

- the Budget motion (i.e., "That the Assembly approve in general the budgetary policy of the government," is moved by a minister;
- resumed debate on the Budget Motion (i.e., debate on the Government's financial priorities) is not to exceed five days;
- upon adoption of the Budget Motion, each of the estimates is deemed referred to a committee of the Assembly;
- the [Standing Committee on House Services](#) is to consider the estimates of the Legislative Branch of government;
- the [Committee of Finance](#) is to consider the estimates for Executive Council;
- the estimates of the Executive Branch of the Government (except Executive Council) are to be considered by a [policy field committee](#), as allocated by the Standing Committee on House Services;
- the main appropriation bill is to be concluded by the sitting day prior to the Completion Day;

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- the Completion Day of the legislative session is the 29th sitting day after the Budget Motion is moved (the normal Completion Day is the Thursday before Victoria Day).

During committee review, ministers are asked questions with respect to their ministries' estimates. They often have their deputies and other senior officials with them to provide the requested information.

[Further estimates](#) may be tabled by the Government while the Budget estimates are being reviewed by the Legislative Assembly.

Once the committee has 'voted' on the Estimates, the amounts (less any amounts granted through an [interim supply bill](#)) are reported back to the Legislative Assembly for inclusion in the main appropriation bill.

Budget Bills

Budget bills are bills that are connected to the budget and identified in the Estimates as budget bills. They are necessary for the passage of the budgetary estimates and must be voted on before Completion Day.

Automatic Interim Funding

At the end of the fiscal year, unused appropriations lapse, in accordance with the FAA. When the old fiscal year has expired on March 31 and before the main *Appropriation Act* is enacted for the new fiscal year, the Government requires funding to operate. The FAA provides for automatic interim funding commencing on April 1 of a new fiscal year based on two-twelfths of the previous year's estimates (section 14.1). Automatic interim funding cannot be used for new programs. Automatic interim funding allows the Government to continue to operate existing programs without an [interim supply bill](#) until the normal Completion Day of the legislative session.

However, there are situations when an interim supply bill would still be required. For example, an interim supply bill would be required if funding was needed for new programs, if the Completion Day extended significantly past the normal Completion Day, or if more than two-twelfths automatic interim funding was needed, for a program.

Automatic interim funding does not apply if there is an early budget and an *Appropriation Act* is enacted before the commencement of a fiscal year. Automatic interim funding must be included as part of the sums appropriated by the next *Appropriation Act* and not in addition to the sums.

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Appropriation Acts

The main *Appropriation Act* authorizes the appropriations for a fiscal year (less any amounts granted for that fiscal year through previous *Appropriation Acts*). Moneys of the GRF can be spent for the purposes identified by the *Appropriation Act* and the Estimates. Additional funds for the fiscal year are provided through additional *Appropriation Acts*.

The Government may table supplementary estimates after the passage of the *Appropriation Act* that supplied funding specified in the Budget estimates. Supplementary estimates would typically be tabled in the fall and in the spring prior to the tabling of the Main Estimates.

When the Legislature is not in session and money is needed for an expense that was not foreseen or not provided for or insufficiently provided for, the Lieutenant Governor in Council may order a [special warrant](#), pursuant to the FAA. Any funding provided by special warrant would appear in the next supplementary estimates document. Special warrants are to be included in the next *Appropriation Act* that is not an Act for interim supply.

The Legislative Assembly has, in a few cases, provided statutory authority (i.e., continuing authority) to spend money for a specific purpose. Statutory appropriations are not included in *Appropriation Acts*.

Accountability to the Legislative Assembly

The Legislative Assembly is interested in how the resources that the Legislature has authorized to be spent from the GRF are managed. Annually, the Government is required to account to the Legislature for its results. Pursuant to the FAA, after the end of the year, the Minister of Finance tables the Public Accounts (section 18). The Summary Financial Statements contained in Volume 1 of the Public Accounts report on the results of all government entities and provides a comparison back to the Summary Budget. Volume 2 of the Public Accounts provides a comparison of the GRF spending to the appropriations approved by the Legislative Assembly.

The Legislature has created other entities when it is desirable that activities operate outside the GRF. The enabling legislation of these entities (e.g., Crown corporations and other government organizations) specifies how they are to be held accountable (e.g., financial statements are tabled in the Legislative Assembly).

Provincial Auditor

Pursuant to *The Provincial Auditor Act*, the Provincial Auditor is appointed by resolution of the Legislative Assembly on the unanimous

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recommendation of the Standing Committee on Public Accounts. The Provincial Auditor is an officer of the Legislative Assembly and assists the Legislative Assembly in holding the Executive Government accountable for spending public resources.

The Provincial Auditor Act sets out powers and duties of the Provincial Auditor. Pursuant to *The Provincial Auditor Act*, the Provincial Auditor is the auditor of the accounts of the Government of Saskatchewan and is to examine all accounts related to public money and any other accounts not related to public money where the Provincial Auditor is required by law to examine. The Office of the Provincial Auditor reports the results of its examinations to the Legislative Assembly. The Provincial Auditor typically reports audit findings in the spring and the fall of each year.

Other Acts set the Provincial Auditor as the auditor or set out a process to appoint an auditor. Pursuant to the FAA, the Provincial Auditor is required to audit and issue a report on the Summary Financial Statements (section 17). When pursuant to a specific Act, the Government has appointed another auditor to audit a particular agency, the Provincial Auditor works with the appointed auditor using the framework recommended by “The Task Force on the Roles, Responsibilities and Duties of Auditors (June 1994).”

Pursuant to the FAA, the Provincial Auditor issues an audit opinion on the Summary Financial Statements. The Provincial Auditor also issues an audit opinion on individual financial statements, if appointed as auditor pursuant to an entity’s enabling legislation.

Standing Committee on Public Accounts

The Standing Committee of the Legislative Assembly on Public Accounts (PAC), which is a scrutiny committee of the Legislative Assembly, considers the Public Accounts and the reports of the Provincial Auditor. PAC comprises Members of the Legislative Assembly. The chair is from the Opposition but PAC has a government majority.²

PAC has the power to call witnesses and documents. Officials from ministries and other agencies appear before PAC. The Provincial Auditor assists PAC in its review. The Provincial Comptroller is also present to answer questions.

² Like other standing committees, the size and composition is established in accordance with the Rules and Procedures of the Legislative Assembly. At the beginning of a new Legislature, the [Standing Committee on House Services](#) sets the ratio of membership and assigns the individual Members but the decision as to what members will sit is made informally in caucus. Membership of standing committees is to reasonably reflect the ratio of party standings in the Assembly.

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PAC reports its recommendations to the Legislative Assembly and the Legislature can accept or reject the advice of PAC. The Government is asked to respond to this Report (this is done through the Ministry of Finance).

Standing Committee on Crown and Central Agencies

The Standing Committee of the Legislative Assembly on Crown and Central Agencies (CCAC), which is a policy field committee of the Legislative Assembly, comprises Members of the Legislative Assembly. The chair is from the governing party and the Committee has a government majority.³

The CCAC considers matters relating to the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries, supply and services, central government agencies, liquor, gaming and all the other revenue related agencies and entities.

The applicable minister and senior executives are called before the CCAC to answer questions with respect to legislative proposals, budgetary estimates, annual reports, regulations and bylaws of professional associations and issues of topical concern. Reports of the Provincial Auditor, as they relate to CIC and its subsidiaries are referred here. The Provincial Auditor also attends these reviews.

References

- [1000 Form and Structure of the Government](#)
- [1300 Government Management and Control](#)
- [1400 Financial Management and Control](#)
- [2000 Overview of the Public Accounts](#)
- [2300 Financial Reporting for Entities](#)
- [3000 Control of the GRF](#)

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³ Ibid.

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