

Manitoba Finance

Ministère des Finances

**Annual Report  
2009-2010**

**Rapport annuel  
2009-2010**





His Honour the Honourable Philip S. Lee, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235, Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Finance for the year ended March 31, 2010.

Respectfully submitted,

*Original signed by Rosann Wowchuk*

Honourable Rosann Wowchuk  
Minister of Finance





Son Honneur l'honorable Philip S. Lee, C.M., O.M.  
Lieutenant-gouverneur du Manitoba  
Palais législatif, bureau 235  
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le rapport annuel du ministère des Finances pour l'année financière terminée le 31 mars 2010.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

*Original signé par Rosann Wowchuk*

Rosann Wowchuk







Deputy Minister of Finance  
Room 109, Legislative Building, Manitoba, Canada R3C 0V8  
[www.manitoba.ca](http://www.manitoba.ca)

Honourable Rosann Wowchuk  
Minister of Finance  
103 Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

Dear Ms Wowchuk:

I have the honour of presenting for your consideration, the Annual Report of Manitoba Finance for the fiscal year ended March 31, 2010.

Respectfully submitted,

*Original signed by Hugh Eliasson*

Hugh Eliasson  
Deputy Minister of Finance





# TABLE OF CONTENTS/TABLE DES MATIÈRES

Title	Page	Title	Page
Preface/Préface .....	8	<b>Treasury Board Secretariat</b> .....	36
Statutory Responsibilities.....	12	Fiscal Management and Capital Planning.....	36
Organization Chart.....	13	Analytical Units.....	37
<b>Administration and Finance Division</b> .....	14	Expenditure Management and Continuous Improvement.....	37
Minister's Salary.....	14	Co-ordination of Special Operating Agencies .....	37
Executive Support.....	14	Labour Relations .....	38
Financial and Administrative Services .....	14	Compensation Services .....	38
Tax Appeals Commission .....	15	Benefits Administration.....	38
Independent Administrator.....	15	Negotiation Services .....	39
Human Resource Services .....	15	Contract Administration.....	39
Information Technology Management .....	17	<b>Francophone Affairs Secretariat</b> .....	40
Insurance and Risk Management .....	18	<b>Capital Investment (Part B)</b> .....	42
<b>Treasury Division</b> .....	19	<b>Sustainable Development</b> .....	42
Administration .....	19	<b>Financial Information</b>	
Capital Markets.....	19	Reconciliation Statement.....	43
Treasury and Banking Operations .....	21	Expenditure Summary by Appropriation (Part A) ...	44
Public Debt.....	23	Revenue Summary by Source .....	50
<b>Comptroller Division</b> .....	24	Five-Year Expenditure and Staffing Summary by Main Appropriation .....	54
Comptroller's Office .....	24	<b>Performance Reporting</b> .....	55
Internal Audit and Consulting Services .....	24	<b>The Public Interest Disclosure (Whistleblower Protection) Act</b> .....	57
Disbursements and Accounting .....	25		
<b>Taxation Division</b> .....	26		
Comparative Statement of Actual Revenues .....	26		
Management and Research.....	27		
Taxation Administration .....	27		
Audit.....	28		
Tobacco Interdiction.....	30		
<b>Taxation, Economic and Intergovernmental</b>			
<b>Fiscal Research Division</b> .....	31		
Intergovernmental Finance .....	31		
Federal-Provincial Relations .....	32		
Economic and Fiscal Analysis .....	33		
Taxation Analysis.....	33		
Net Tax Credit Payments.....	34		
Manitoba Tax Assistance Office .....	35		

This document will be available in both English and French on the internet at [www.gov.mb.ca/finance](http://www.gov.mb.ca/finance) after October 30, 2010.  
Ce document sera disponible en anglais et en français sur Internet à l'adresse [www.gov.mb.ca/finance](http://www.gov.mb.ca/finance) après le 30 octobre 2010.

## PREFACE/PRÉFACE

The overall responsibilities of the Minister and the department include:

- preparing the annual Provincial Budget;
- management and control of government expenditures and revenues and the evaluation of government programs;
- providing policy direction on matters relating to financial management and administration and ensuring appropriate government-wide management practices and systems;
- ensuring accountability for the delivery of government programs;
- maintaining the core government accounting and financial reporting systems, and the preparation of the annual Public Accounts and other reports which show the financial condition of the entire government reporting entity;
- managing daily cash requirements, the public debt, the investment of public money, and of loans and advances made, and guarantees given, by the government;
- analysing and appraising the economic situation and prospects in Manitoba in co-operation with other ministries as appropriate;
- advising on fiscal and other economic policies and measures including taxation;
- advising on policies relating to Federal-Provincial relations;
- representing the province in negotiations and participating in meetings related to finance, taxation and economic development;
- managing the province's financial assets and liabilities;
- insuring government assets and managing risk; and
- administering a regulatory framework that contributes to a competitive Manitoba economy.

Les responsabilités globales du ministre et du ministère consistent à :

- préparer le budget annuel provincial;
- gérer et contrôler les dépenses et les recettes du gouvernement et évaluer les programmes gouvernementaux;
- établir des directives en matière de gestion et d'administration financière et garantir des pratiques et des mécanismes de gestion appropriés pour l'ensemble du gouvernement;
- garantir l'obligation de rendre compte en ce qui concerne la mise en œuvre des programmes gouvernementaux;
- maintenir les systèmes de comptabilité et de rapport de la Province, préparer les comptes publics annuels et les autres rapports qui montrent la situation financière de l'ensemble du périmètre comptable du gouvernement;
- gérer les besoins quotidiens de trésorerie, la dette publique, l'investissement de l'argent public, ainsi que les prêts, les avances et les garanties offerts par le gouvernement;
- analyser et évaluer la situation économique et les perspectives du Manitoba en collaboration avec les autres ministères, lorsqu'il y a lieu;
- donner des conseils sur les politiques et mesures fiscales et économiques, y compris les taxes;
- donner des conseils sur les politiques concernant les relations entre le fédéral et la province;
- représenter la province lors des négociations et participer aux réunions portant sur les finances, les taxes et le développement économique;
- gérer l'actif et le passif de la province;
- garantir l'actif du gouvernement et gérer les risques;
- administrer un cadre législatif qui contribue à la compétitivité de l'économie manitobaine.

Through its efforts, the department manages strategic, financial and operational risks at a corporate level so that the value government obtains for money expended, and for revenues owing and received, is optimized.

The departmental organization structure appears in the chart on page 13. The department is comprised of five operating divisions, as well as the Treasury Board Secretariat and the Francophone Affairs Secretariat.

**The Administration and Finance Division** provides executive administration, planning and management of departmental policies and programs. The Executive Support area of the division includes the Deputy Minister of Finance and Senior Assistant Deputy Minister. Executive Support advises the Minister on matters related to Finance and is responsible for management and administration of the department. Duties include ensuring that policy objectives and statutory obligations of government are met, and providing strategic planning and budgetary oversight.

The division also co-ordinates the department's financial, administrative, information technology management and human resource functions and includes the Tax Appeals Commission, Independent Administrator and the Insurance and Risk Management branch. The Insurance and Risk Management branch provides centralized insurance and risk management services to government departments and agencies, including most Crown corporations.

**The Treasury Division** manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division also assists in the financing of municipalities, schools and hospitals and ensures that such financing is arranged.

Grâce à ses efforts, le ministère gère les risques stratégiques, financiers et d'exploitation au niveau de l'organisation, de façon à obtenir le meilleur rendement possible des dépenses effectuées par le gouvernement et des revenus qu'il possède et perçoit.

La structure de l'organisation du ministère est représentée dans un graphique en page 13. Le ministère est constitué de cinq divisions opérationnelles, auxquelles il faut ajouter le Secrétariat du Conseil du Trésor et le Secrétariat aux affaires francophones.

**La Division de l'administration et des finances** s'occupe de la haute administration ainsi que de la planification et de la gestion des politiques et des programmes du ministère. Le cabinet du ministre et le bureau du sous-ministre comprennent le sous-ministre des Finances et le sous-ministre adjoint principal. Le cabinet du ministre et le bureau du sous-ministre conseillent le ministre sur tout ce qui se rapporte au ministère des Finances et ont la charge de la gestion et l'administration de ce ministère. Ils doivent entre autres veiller à l'atteinte des objectifs du gouvernement en matière de politiques et au respect de ses obligations législatives, ainsi qu'à la planification stratégique et au suivi budgétaire.

La Division gère les ressources humaines du ministère et coordonne ses fonctions financières et administratives ainsi que les technologies de l'information. Elle regroupe aussi la Commission d'appel des impôts et des taxes, l'administrateur indépendant ainsi que la Direction de l'assurance et de la gestion des risques. Cette dernière fournit des services centralisés d'assurance et de gestion des risques aux organismes et ministères gouvernementaux, y compris la plupart des sociétés de la Couronne.

**La Division de la trésorerie** gère et administre les ressources de trésorerie, les programmes d'emprunt, les investissements et le service de la dette du gouvernement. Elle gère et administre également les programmes d'emprunt et les investissements des sociétés de la Couronne et des organismes gouvernementaux. La Division de la trésorerie participe au financement des municipalités, des écoles et des hôpitaux, et elle s'assure que les modalités de ce financement sont déterminées.

**The Comptroller Division** is responsible for establishing and fostering a corporate comptrollership function across government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements.

**The Taxation Division** is responsible for efficiently and effectively administering the provincial taxation acts and ensuring proper revenues are collected as provided in the acts. This includes the administration, collection, processing and reporting of taxation revenues, as well as the provision of tax expertise to government, businesses collecting taxes and taxpayers. The division also investigates and audits taxpayers to ensure compliance.

**Taxation, Economic and Intergovernmental Fiscal Research Division** provides research and technical and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental relations. The division also administers fiscal arrangements and tax collection agreements with the federal government, administers tax credit programs with the federal government and municipalities, and provides government-wide analytical support to inter-departmental working groups.

**The Treasury Board Secretariat** provides financial and analytical support and advice to the Minister of Finance and Treasury Board in fulfilling expenditure management responsibilities and provides representation of government and department management in all labour relations and compensation activities within the civil service. The Secretariat is headed by a Deputy Minister who acts as Secretary to Treasury Board.

**The Francophone Affairs Secretariat** advises the government, and in particular the Minister responsible for Francophone Affairs, on the development of government services in the French language, and on matters relating to the French Language Services policy in general.

**La Division du contrôleur** est chargée d'établir et de développer une fonction de contrôle pour l'ensemble du gouvernement. Celle-ci inclut l'élaboration et la mise en œuvre de systèmes financiers et de gestion qui apportent un soutien en ce qui concerne la prise de décision aux niveaux législatif et gouvernemental, l'efficacité de la prestation des services et les exigences liées à l'obligation de rendre compte. La Division est chargée d'établir et de contrôler les systèmes de débours pour payer les employés et les autres prestataires des fonds gouvernementaux.

**La Division des taxes** est chargée de mettre en application de façon complète et efficace des lois provinciales sur les taxes et les impôts, et de faire en sorte que les recettes prévues soient perçues conformément aux dispositions des lois. Cela inclut l'administration, la perception, le traitement et la communication des recettes fiscales, ainsi que des conseils prodigués au gouvernement, aux entreprises qui perçoivent des taxes et aux contribuables. La Division effectue aussi des enquêtes et des vérifications auprès des contribuables pour s'assurer que les lois fiscales sont bien respectées.

**La Division des recherches fiscales, économiques et intergouvernementales** apporte une aide en terme de recherche, de technique et d'analyse sur les questions économiques et fiscales (tant nationales que provinciales) et sur les relations intergouvernementales. La Division veille à l'application des arrangements fiscaux et des ententes de perception fiscale avec le gouvernement fédéral. Elle administre les programmes de crédits d'impôts avec le gouvernement fédéral et les municipalités. Elle aide aussi les groupes de travail interministériels dans le domaine de l'analyse, pour l'ensemble du gouvernement.

**Le Secrétariat du Conseil du Trésor** apporte au ministre des Finances et au Conseil du Trésor de l'aide et des conseils en matière de finances et d'analyse, leur permettant ainsi d'exercer leurs responsabilités dans la gestion des dépenses. Le Secrétariat agit en tant que représentant du gouvernement et du ministère dans toutes les relations de travail et toutes les activités de compensation au sein de la fonction publique. L'organisme est placé sous la responsabilité d'un sous-ministre qui agit à titre de secrétaire du Conseil du Trésor.

**Le Secrétariat aux affaires francophones** conseille le gouvernement, en particulier le ministre responsable des Affaires francophones, au sujet de l'élaboration et de la mise en œuvre des services gouvernementaux en français, ainsi que sur toutes les questions liées à la politique sur les services en langue française en général.

## Conclusion

The divisional text of this report is formatted along the same lines as the appropriation structure for the department that is used in the Estimates of Expenditure of the Province of Manitoba. This formatting will assist with cross-referencing the two documents. Exceptions to this format have been made for the Insurance and Risk Management branch, Net Tax Credit Payments and Public Debt. These areas have been included within the divisions responsible for their administration.

The department also encompasses the Manitoba Securities Commission. This Special Operating Agency prepares and presents its own annual report and is not included in this document.

The Department of Finance vision and mission is as follows:

**Vision:** A province that has effective financial management practices and fairly regulated businesses to bolster its prosperity for its citizens and influence within a united Canada and a changing world.

**Mission:** To implement the government's fiscal policies, efficiently and with integrity, to provide the highest quality management of Manitoba's revenue, debt, investments, and investor protection regimes, and to provide comprehensive and accurate reports on the financial management of government funds and assets.

## Conclusion

La division du texte de ce rapport reflète la structure des crédits du ministère utilisée dans le Budget des dépenses du Manitoba. Ce formatage facilite la recherche croisée entre les deux documents. Seuls le paiement net des crédits d'impôt, la Direction de l'assurance et de la gestion des risques, et la dette publique sont formatés autrement. Ces secteurs ont été inclus à l'intérieur des divisions chargées de leur administration.

Le ministère englobe également le Bureau de l'état civil, la Commission des valeurs mobilières du Manitoba, l'Office d'enregistrement des titres et des instruments et l'Office des compagnies. Ces organismes de service spécial préparent et présentent leurs propres rapports annuels et ne sont pas compris dans le présent document.

Voici les énoncés de vision et de mission du ministère des Finances :

**Vision :** La province possède des pratiques de gestion financière efficaces ainsi que des pratiques commerciales réglementées de façon équitable qui lui permettent d'accroître sa prospérité dans l'intérêt de ses résidents et son influence au sein d'un Canada unifié et d'un monde en changement.

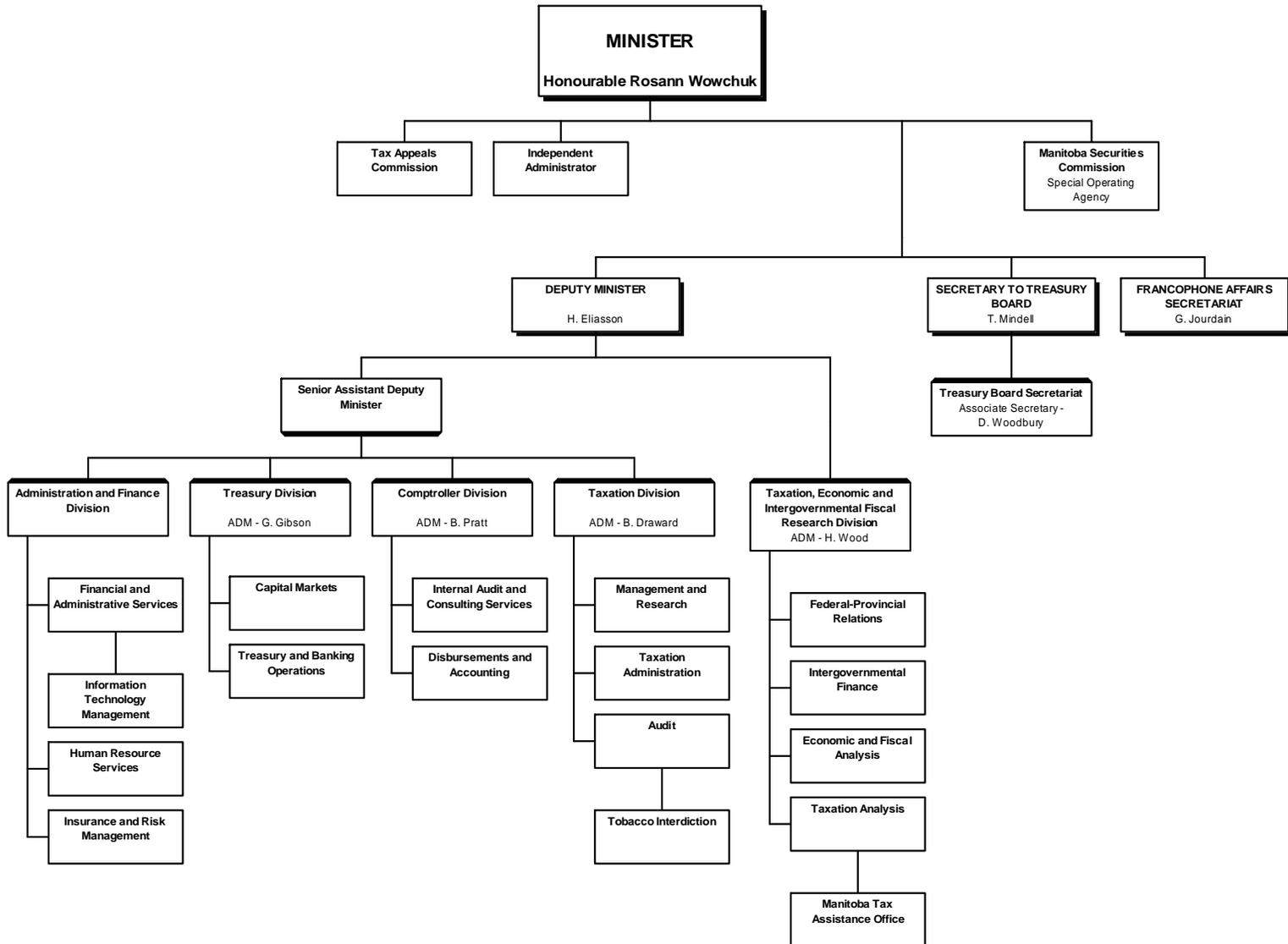
**Mission :** Mettre en œuvre les politiques budgétaires du gouvernement, efficacement et avec intégrité, en vue d'assurer la meilleure gestion possible des recettes, de la dette et des investissements du Manitoba ainsi que des systèmes manitobains de protection des investisseurs, et de fournir des rapports détaillés et précis sur la gestion financière des fonds et de l'actif du gouvernement. Accroître les intérêts stratégiques du Manitoba par-delà nos frontières en soutenant une fédération durable, équitable et unie.

# STATUTORY RESPONSIBILITIES OF THE MINISTER OF FINANCE

	Continuing Consolidation Chapter
The Balanced Budget, Fiscal Management and Taxpayer Accountability Act	B 5
The Commodity Futures Act	C 152
The Corporation Capital Tax Act	C 226
The Crocus Investment Fund Act (Section 11)	C 308
The Crown Corporations Public Review and Accountability Act	C 336
The Energy Rate Stabilization Act	E 115
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F 70
The Gasoline Tax Act	G 40
The Health and Post Secondary Education Tax Levy Act	H 24
The Hospital Capital Financing Authority Act	H 125
The Income Tax Act (except sections 10.4, 10.5 and 11.8 to 11.17)	I 10
The Manitoba Investment Pool Authority Act	I 100
The Labour-Sponsored Venture Capital Corporations Act (except Part 2 and sections 16 to 18 as they relate to Part 2)	L 12
The Manitoba Hydro Act	H 190
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Mortgage Act (Part III)	M 200
The Mortgage Dealers Act	M 210
The Motive Fuel Tax Act	M 220
The Municipal Revenue (Grants and Taxation) Act (except Part 2)	M 265
The Pari-Mutuel Levy Act	P 12
The Property Tax and Insulation Assistance Act (Parts I, III, IV and V.1, and section 1 and Part VI as they relate to subjects covered under those Parts)	P 143
The Public Officers Act	P 230
The Public Sector Compensation Disclosure Act (S.M. 1996, c. 60)	P 265
The Real Estate Brokers Act	R 20
The Retail Sales Tax Act	R 130
The Succession Duty Act (S.M. 1988-89, c. 42)	-
The Securities Act	S 50
The Securities Transfer Act	S 60
The Special Survey Act	S 190
The Suitors' Moneys Act	S 220
The Tax Administration and Miscellaneous Taxes Act	T 2
The Tax Appeals Commission Act	T 3
The Tobacco Tax Act	T 80
The Unconditional Grants Act	U10

Per Order-in-Council 350/2009, Schedule "J" and "T" and the Continuing Consolidation of the Statutes of Manitoba.

# Manitoba Finance Organization Chart



## ADMINISTRATION AND FINANCE DIVISION

The Administration and Finance Division provides executive administration, planning and management of departmental policies and programs. It includes support services and centralized co-ordination of financial, administrative and human resource functions as well as the Tax Appeals Commission, Independent Administrator and the Insurance and Risk Management branch.

### Executive Support

The office of the Minister provides additional compensation to which individuals appointed to the Executive Council are entitled.

The Executive Support unit provides advice to the Minister on all policy and program matters related to the department, co-ordinates and administers the activities of the department to meet government policy objectives and provides administrative support for the offices of the Minister, Deputy Minister and Senior Assistant Deputy Minister.

#### 1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Minister's Salary	38	1.00	46	(8)	
<b>Total Sub-Appropriation</b>	<b>38</b>	<b>1.00</b>	<b>46</b>	<b>(8)</b>	

#### 1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	933	14.00	1,062	(129)	
Other Expenditures	187		167	20	
<b>Total Sub-Appropriation</b>	<b>1,120</b>	<b>14.00</b>	<b>1,229</b>	<b>(109)</b>	

## Financial and Administrative Services

The Financial and Administrative Services branch is responsible for ensuring appropriate management of and accountability for the department's resources. This encompasses: the development and implementation of departmental financial and administrative policies, processes and practices; ensuring compliance with government legislation, policies and procedures; providing accounting and administrative services to the department; and providing analytical and consultative support services to the department's operating divisions.

Branch activities include planning, organizing and evaluating departmental accounting and financial management activities related to financial reporting, expenditure and revenue processing and appropriation control. Specific activities include co-ordinating and supporting the development of the department's annual estimates, quarterly financial forecasts and reports, requests for office accommodation, telecommunication services and government vehicles. The branch also co-ordinates the department's records management program and administers the department's parking program.

#### 1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	572	8.00	599	(27)	
Other Expenditures	73		87	(14)	
<b>Total Sub-Appropriation</b>	<b>645</b>	<b>8.00</b>	<b>686</b>	<b>(41)</b>	

## Tax Appeals Commission

The *Tax Appeals Commission Act* provides for the appointment of one or more commissioners for the purpose of dealing with appeals filed by taxpayers who disagree with assessments issued by the Taxation Division. The Tax Appeals Commission provides taxpayers with an objective review of a taxpayer's appeal, independent of the taxation officials who issued the assessment.

The activity of the commission and results for 2009/2010 are as follows:

Outstanding appeals as at March 31, 2009	39
Appeals received in 2009/2010	
Administration	63
Audit	19
	<u>121</u>
Disposition of Appeals in 2009/2010	
Partially Denied	2
Denied	41
Late - Not Accepted	0
Referred to Taxation (not an appeal issue)	2
Upheld	0
Withdrawn	<u>30</u>
Appeals Resolved	<u>75</u>
Outstanding appeals as at March 31, 2010	<u>46</u>

### 1 (d) Tax Appeals Commission

Expenditures by Sub-Appropriation	Actual 2009/2010 \$(000s)	Estimate 2009/2010 FTEs	Estimate 2009/2010 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Tax Appeals Commission	19		19		
<b>Total Sub-Appropriation</b>	<b>19</b>		<b>19</b>		

## Independent Administrator

The Independent Administrator was created in 2006 under *The Labour-Sponsored Venture Capital Corporations Act*. The Independent Administrator reports to the Minister of Finance and monitors provincially registered labour-sponsored funds to ensure compliance with governing legislation.

### 1 (e) Independent Administrator

Expenditures by Sub-Appropriation	Actual 2009/2010 \$(000s)	Estimate 2009/2010 FTEs	Estimate 2009/2010 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Independent Administrator	33		34	(1)	
<b>Total Sub-Appropriation</b>	<b>33</b>		<b>34</b>	<b>(1)</b>	

## Human Resource Services

The branch provides human resource services to management and staff of the Department of Finance and its Special Operating Agency (SOA), in addition to the departments of Culture, Heritage and Tourism, Housing and Community Development; Innovation, Energy and Mines and the Office of the Auditor General. Services are provided in accordance with *The Civil Service Act*, Manitoba Government Employees' Union (MGEU) master agreement, Manitoba labour laws and workplace health and safety legislation. These services include staffing, employment equity, employee and labour relations, and pay and benefits administration. These departments also share resources for branch management and diversity program development.

## Results:

The branch continues to co-ordinate the implementation of government-wide policies and initiatives.

Four designated groups have been identified as under-represented and include women in non-traditional occupations, Aboriginal people, persons with disabilities and visible minorities. The long-range goal is to have the Manitoba civil service reflect the diversity of the population in all job classifications, taking into account relevant labour force data.

### Employment Equity Statistics as at Fiscal Year End (includes the Special Operating Agency)

Finance	2006/2007	2007/2008	2008/2009	2009/2010
	Actual (%)	Actual (%)	Actual (%)	Actual (%)
Aboriginal	8.0	8.7	9.4	8.6
Women	62.6	63.1	65.2	61.0
Persons w/Disability	3.9	4.2	5.1	5.6
Visible Minority	7.6	8.2	9.9	11.5

*Note: As of April 1, 2010 departmental Human Resource functions were transferred to the Civil Service Commission.*

## Payroll and Benefits

During the course of the year, the branch: maintained payroll records for 451 employees and board members; maintained comprehensive attendance and payroll information on the corporate human resource/payroll system (SAP); provided counselling and information on 29 appointments, 15 retirements, two death benefits, and one long-term disability claim to employees and their family members.

## Recruitment and Selection

Fifty-one positions were filled through competition and 18 positions were filled through various direct appointments (including promotions, transfers, etc.). The department supported the placement of three financial management interns.

## Labour Relations

Consulted with departmental management/supervisory personnel, employees and the MGEU in the resolution of numerous labour relations' issues, which included the filing of one formal grievance.

## Occupational Health and Safety

Five accident/injury claims were reported over this time period involving no days lost.

1 (f) Human Resource Services	Actual	Estimate	Variance	Expl. No.
	2009/2010	2009/2010	Over/(Under)	
Expenditures by Sub-Appropriation	\$(000s)	FTEs	\$(000s)	\$(000s)
Salaries and Employee Benefits	497	7.00	515	(18)
Other Expenditures	122		155	(33)
<b>Total Sub-Appropriation</b>	<b>619</b>	<b>7.00</b>	<b>670</b>	<b>(51)</b>

## Information Technology Management

The Information Technology Management branch has 6.25 staff positions and maximizes the benefits of Manitoba Finance's Information Communication Technology investments. The branch acts as a liaison between the department and the Information Communication Technology (ICT) Services Manitoba, supporting the achievement of the department's business mission and strategic and tactical plans.

Activities include:

- Project management and enterprise portfolio management, customer relationship management, business analysis, requirements definition, business case development;
- Strategic Information Technology (IT) planning, IT governance and control, financial management, project management, contract, license and asset management, and Service Level Agreement (SLA) management;
- Business architecture, data stewardship, information management and providing business technology expertise and consulting services in support of the business needs; and
- IT risk identification and protection, and the development, implementation and testing of business continuity and disaster recovery plans.

### Results:

- Continued the development and implementation of GenTax enhancements to support Taxation program delivery efficiencies e.g. Taxpayer eService Delivery Phase I;
- Completed The Property Registry Service Improvement IT Roadmap which is a key enabler of the five year TPR Service Improvement Initiative;
- Completed the IT Solution Requirements Specifications for the Consumer Protection Office;
- Completed the pilot for the Internal Audit Consulting Service TeamMate audit management server application;
- Continued the planning and development of the Companies Office Service Improvement Initiative;
- The Single Window for Business corporate project; and
- The continued development of the IT branch capability including hiring and training of all Business Consultants, and the improvement of operational efficiencies including Security, IT Governance, Business Analysis, Project Management, Business Architecture processes and frameworks.

#### 1 (g) Information Technology Management

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)			\$(000s)	
Salaries and Employee Benefits	1,076	6.25	1,268	(192)	1
Other Expenditures	134		137	(3)	
<b>Total Sub-Appropriation</b>	<b>1,210</b>	<b>6.25</b>	<b>1,405</b>	<b>(195)</b>	

1. *Under expenditure is essentially due to position vacancies.*

## Insurance and Risk Management

*The Manitoba Comptrollership Framework* defines risk management as “a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, communicating and acting on risk issues”. The Insurance and Risk Management branch is involved in promoting central Risk Management Policy for the Government of Manitoba.

### Results:

- Assisted departments and agencies in conducting risk assessments of programs and facilities;
- Commercial insurance premiums paid during 2009/2010 fiscal year were \$1.50 million for departments and \$2.07 million for agencies. This represented an overall decrease of 4.6% compared to the previous year for standard insurance coverages;
- Agency Self-Insurance Fund premiums collected were \$4.20 million, a 3.4% increase from the previous year;
- Owner-controlled construction insurance was purchased for several larger infrastructure projects;
- Department retained losses, including new reserves and claim payments, in 2009/2010 totalling \$759,347 (\$564,198 property claims, plus \$195,149 liability claims), a decrease of 77.5% from the previous year;
- Costs for independent adjusters for department claims were \$29,262, an increase of 50% from the previous year;
- 146 new department claims were opened and 160 claims were closed;
- Under the Foster Parents' Intentional Damage Compensation Plan, 112 claims were reported in 2009/2010 and settlement payouts totalled \$133,796 (5% decrease over 2008/2009) plus administrative costs of \$15,419, and decrease of 23% from the previous year;
- Agency retained losses, including new reserves and claim payments, in 2009/2010 totalled \$6.55 million (\$6.43 million property claims, and \$120,000 liability claims), an increase of 61% from the previous year. Increase in property losses included several water damage claims and a large fire loss of \$1.8 million ;
- Costs for independent adjusters for agency claims were \$160,978, an increase of 18.4% from the previous year; and
- 263 new agency claims were opened, and 738 claims were closed.

### 6 Insurance and Risk Management

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)			\$(000s)	
Salaries and Employee Benefits	427	5.20	427		
Other Expenditures	59		66	(7)	
Insurance Premiums	1,497		2,558	(1,061)	1
Less: Recoverable from Other Appropriations	(1,497)		(2,558)	1,061	1
<b>Total Sub-Appropriation</b>	<b>486</b>	<b>5.20</b>	<b>493</b>	<b>(7)</b>	

1. *Under expenditure is essentially due to the reduction in property and liability insurance premiums due to favourable re-insurance markets.*

# TREASURY DIVISION

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division assists in the financing of municipalities, schools and hospitals and it is the division's responsibility to ensure that such financing is arranged.

Major changes are continually taking place in the world's economic and financial markets. These changes have a significant impact on both short and long-term management strategies, as well as the day-to-day decisions made by Treasury Division staff.

The division maintains contact with a large number of domestic and foreign financial institutions as well as regulatory and rating agencies to inform them of the fiscal and economic performance of the province and its policies, while at the same time obtaining information about the state of world financial markets and financial products and opportunities available to the province.

## Administration

The Administration function has two staff positions for the performance of the following functions:

- general management of the Treasury Division;
- advises Minister, Deputy Minister and Senior Assistant Deputy Minister on all policy and program matters of a financial nature;
- contact with the world financial community;
- provision of management and financial advisory services to government departments, agencies and investment funds; and
- reviews policies, legislation and regulations, and recommends changes where necessary to achieve objectives.

### 2 (a) Administration

Expenditures by Sub-Appropriation	Actual 2009/2010 \$(000s)	Estimate 2009/2010 FTEs	Estimate 2009/2010 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	140	2.00	138	2	
Other Expenditures	97		111	(14)	
<b>Total Sub-Appropriation</b>	<b>237</b>	<b>2.00</b>	<b>249</b>	<b>(12)</b>	

## Capital Markets

The Capital Markets branch has nine staff positions for the performance of the following major functions:

- managing the long-term borrowing programs of the government, Crown corporations, government agencies and other loan programs;
- developing and maintaining the debt management program of the government;
- administering provincial investment in, and advances to, Crown corporations, government agencies and other loan programs;
- establish strategies and manage sinking funds and other investment accounts of the province, Crown corporations and government agencies aggregating over \$7.0 billion;
- managing the government's monetary resources;
- managing the short-term investment and borrowing programs for the government;

- administering trust money deposited with the Minister of Finance by Crown corporations, agencies and departments; and
- advising Crown corporations, government agencies and managers of loan programs regarding policies and procedures related to capital financing.

## **Borrowing**

The borrowing program of the government, its Crown corporations and government agencies aggregated \$4.26 billion in 2009/2010. This included \$2.39 billion for refinancing maturing debt issues with the balance required for sinking funds and self-sustaining programs, including Manitoba Hydro. The aggregate amount of the Province of Manitoba's direct and guaranteed debt, net of sinking funds, outstanding at March 31, 2010 (using March 31, 2010 foreign exchange rates for conversion of foreign issues) was \$21.1 billion (\$19.8 billion at March 31, 2009) of which \$6.8 billion (\$6.32 billion at March 31, 2009) was for general government programs.

The branch is responsible for meeting the ongoing reporting and filing requirements of all markets in which the government has borrowed money. Three major reports and filing documents were prepared for regulatory agencies in Europe, Australia and the United States.

The branch also co-ordinated presentations to the major North American rating agencies which evaluate the creditworthiness of the province.

## **Debt Management**

The Capital Markets branch actively monitors global capital markets and manages the province's outstanding debt through the use of hedging techniques such as currency exchange agreements, floating and fixed interest rate swaps and forward rate agreements.

At March 31, 2010, 10% of direct debt, excluding debt for which Manitoba Hydro is responsible, was floating rate (9% at March 31, 2009) and 100% was payable in Canadian dollars (100% at March 31, 2009).

## **Long-Term Investments**

### **Loans and Equity Investments**

The Capital Markets branch administers the government's non-budgetary investment activities through advances to and/or equity investments in various Crown corporations, government agencies and loan programs. During 2009/2010, \$2.3 billion was invested. At March 31, 2010 the aggregate amount of advances and equity investments outstanding was \$10.8 billion.

### **Sinking Funds and Other Long-Term Investments**

Sinking funds and other long-term investments of the Province of Manitoba, its Crown corporations and government agencies are managed by the Capital Markets branch. At March 31, 2010, sinking funds related to the direct and guaranteed debt of the province amounted to \$3.58 billion, down 1.4% from \$3.63 billion at March 31, 2009. The branch also manages the long-term investments for Manitoba Public Insurance Corporation which totalled approximately \$2.00 billion at February 28, 2010. The Capital Markets branch determines the cash flows of these funds for investment purposes.

### **Money Management**

The Capital Markets branch prepares cash flow forecasts detailing the government's anticipated daily receipts and disbursements, including its trust administration activities. Management of daily bank balances and timing of long-term borrowing is determined as a result of these cash flow forecasts.

During 2009/2010, the Money Management program was involved in managing the cash flow for over \$25.0 billion of transactions processed through the accounts of the government.

## Short-Term Investment and Borrowing

Monitoring and management of the government's cash flow during 2009/2010 resulted in the branch arranging over 1,909 short-term money market transactions aggregating approximately \$84.8 billion of investment purchases and \$5.96 billion of investment sales. The branch also arranged for the issue of \$505 million of promissory notes to finance temporary shortfalls resulting from differences in the timing of government payments and receipts. Interest earned on the short-term investments amounted to approximately \$23.74 million while interest paid on the promissory notes issued was approximately \$1.90 million.

## Trust Administration

Over 100 departments, agencies and Crown corporations deposit surplus funds with the Minister of Finance in interest-bearing trust deposits. These trust funds averaged approximately \$1.7 billion in 2009/2010. Approximately 3,000 trust deposit receipts were issued in 2009/2010 and 3,500 payments processed by the branch in respect to these deposits. Interest paid on these trust accounts was in excess of \$9.8 million.

## Other Responsibilities

The Capital Markets branch also acts in an advisory capacity to Crown corporations and government agencies and makes recommendations respecting each organization's policies and procedures relating to the financing of their programs. All existing and proposed legislation of a financial nature is reviewed to ensure that the objectives of the Crown corporation or government agency are met and that there is legislative consistency among the various entities.

The branch is responsible for operating the Manitoba Hospital Capital Financing Authority.

The branch managed the eleventh Manitoba Builder Bonds campaign which raised \$98.0 million.

### 2 (b) Capital Markets

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)			\$(000s)	
Salaries and Employee Benefits	534	9.00	662	(128)	
Other Expenditures	56		74	(18)	
<b>Total Sub-Appropriation</b>	<b>590</b>	<b>9.00</b>	<b>736</b>	<b>(146)</b>	

## Treasury and Banking Operations

### Risk Management and Banking

The Risk Management and Banking Office has six staff positions for the performance of these major functions:

- monitoring and reporting on the division's market, credit, operational and liquidity risks ensuring safeguards are in place to protect the financial assets and liabilities of the government;
- responsible for the risk oversight function ensuring policies are in place and operating effectively in order to allow the division to meet its strategic objectives while managing risks;
- responsible for the administration and controllership activities related to the province's Risk Management program;
- ongoing development and maintenance of divisional policies and procedures; and
- managing the banking operations of the government.

## **Risk Management**

The branch established a segregated middle office to efficiently and effectively monitor the division's risk management practices and financial exposures such as Mark to Market, performance measurement, and credit monitoring on \$7.0 billion of investments, \$20.0 billion of debt, and \$30.0 billion in financial risk management contracts.

## **Banking Operations**

The branch advises and establishes procedures regarding the use of banking services and depositing for other departments and some agencies; evaluates requests for new bank accounts and maintains existing accounts. The branch also negotiates contracts for banking and armoured car services for the province.

The branch maintained a central index of approximately 248 accounts representing all Province of Manitoba bank accounts in all financial institutions in the province.

The branch continued to expand the use of direct payment cards and credit cards for the receipt of government revenues. The branch worked with individual departments and Special Operating Agencies, surveying their needs to consider appropriate applications.

The branch continues to partner with other areas of government in the application of emerging technology.

## **Treasury Operations**

The Treasury Operations office has nine staff positions for the performance of the following major functions:

- service and administer the public debt of the province;
- service and safekeep the short and long-term investments of the province and certain Crown corporations and government agencies;
- service and administer the province's debt and investment program;
- maintain accounting records for Public Debt expenditures and recoveries on sinking funds and other investment accounts; and
- maintain a Treasury Payments system for the division.

## **Debt Servicing**

The provincial borrowings serviced by the branch was represented by debentures, savings bonds, treasury bills, promissory notes, and C.P.P. debentures, all payable in Canadian dollars, as well as 13 debenture issues payable in U.S. dollars, one debenture issue payable in Swiss Francs, one debenture issue payable in New Zealand dollars, two debenture issues payable in Euros, one debenture issue payable in Hong Kong Dollars and one debenture issue payable in Japanese Yen. In servicing this debt, the branch administered approximately 260 derivative agreements whereby, among other things, all the Swiss Franc, New Zealand Dollar, Euro, Hong Kong Dollar and Japanese Yen debt have been swapped into fixed or floating rate Canadian or U.S. dollar liabilities.

Servicing the short-term debt obligations of the province required the administration of over \$5.0 billion in treasury bills and \$500 million in promissory notes issued throughout the year.

## **Investment Servicing**

The branch services the long-term investments of the Manitoba Public Insurance Corporation and the sinking fund investments of the Province of Manitoba, Manitoba Hydro and The University of Manitoba. The aggregate value of these long-term investments was over \$5.0 billion.

In servicing these investments the branch processed purchases aggregating \$2.9 billion, sales and maturities of \$4.2 billion and gross income of \$216.0 million. The branch administered approximately 210 derivative contracts by which investments denominated in foreign currencies have been swapped into Canadian dollars.

Servicing short-term investments for the province required the processing and safekeeping of over 3,800 money market transactions covering purchases, sales and maturities with a total aggregate value of approximately \$185.0 billion.

In order to meet its responsibilities in servicing the province's debt and investments, the branch operates a payment system for the division. During 2009/2010, 49 cheques were issued with a total value of \$68.0 million and authorized 3,100 transfers totalling \$19.0 billion.

## 2 (c) Treasury and Banking Operations

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	925	15.00	1,032	(107)	
Other Expenditures	99		104	(5)	
<b>Total Sub-Appropriation</b>	<b>1,024</b>	<b>15.00</b>	<b>1,136</b>	<b>(112)</b>	

## Public Debt (Statutory)

This appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the province.

## 10 Public Debt (Statutory)

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Interest on:					
the Public Debt of Manitoba and related expenses	1,093,156		1,084,160	8,996	
departments' capital assets	103,984		136,690	(32,706)	
Trust and Special Funds	3,392		25,650	(22,258)	
<b>Sub-total</b>	<b>1,200,532</b>		<b>1,246,500</b>	<b>(45,968)</b>	
Less: Interest and Other Charges to be received from:					
Sinking Fund Investments	(91,805)		(107,527)	15,722	
Manitoba Hydro	(548,584)		(531,220)	(17,364)	
Manitoba Housing and Renewal Corporation	(26,195)		(28,210)	2,015	
Manitoba Agricultural Credit Corporation	(17,221)		(17,053)	(168)	
Other Government Agencies	(25,359)		(12,154)	(13,205)	
Other Loans and Investments	(78,034)		(94,340)	16,306	
Other Appropriations	(173,140)		(205,846)	32,706	
<b>Sub-total</b>	<b>(960,338)</b>		<b>(996,350)</b>	<b>36,012</b>	
<b>Total Sub-Appropriation</b>	<b>240,194</b>		<b>250,150</b>	<b>(9,956)</b>	1

1. Net under expenditure is primarily due to interest rates offset by reduction to capital recoveries.

## COMPTROLLER DIVISION

The division's role is to establish and foster a corporate comptrollership function for the Manitoba government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements. Some of the key components integral to the division's government-wide comptrollership function include:

- designing management processes;
- establishing financial and accounting policies;
- assisting in the co-ordination of the government's Summary Budget;
- preparing and presenting financial information for internal and external reporting, including the government's Public Accounts on a Summary basis;
- maintaining the central accounts of the province;
- controlling all disbursements and revenue transactions for the Consolidated Fund;
- facilitating the integration and co-ordination of financial and management information; and
- providing advisory and problem solving services to corporate government and line departments.

In carrying out the division's mandate, three branches report to the Provincial Comptroller. These include:

- Comptroller's Office;
- Internal Audit and Consulting Services; and
- Disbursements and Accounting.

Divisional accomplishments are reported under each branch as applicable.

### 3 (a) Comptroller's Office

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	414	5.00	485	(71)	
Other Expenditures	84		92	(8)	
<b>Total Sub-Appropriation</b>	<b>498</b>	<b>5.00</b>	<b>577</b>	<b>(79)</b>	

## Internal Audit and Consulting Services

The Internal Audit and Consulting Services branch provides internal audit services to management throughout government. All government departments have access to internal audit services through annual audit plans or for high-priority matters.

### Results:

- Conducted 36 new audit projects during the year (41 in 2008/2009), based on assignments generally greater than 100 hours;
- Participation in cross-departmental audits;
- Implemented a process to follow-up on the implementation of audit recommendations;
- Annual reports, summarizing the audit activities for the year and the audit plan for the upcoming year, were prepared for each department and the Corporate Audit Committee; and
- Participation in the Institute of Internal Auditors and Information System Audit and Control Association boards and activities.

### 3 (b) Internal Audit and Consulting Services

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	2,091	27.00	2,506	(415)	1
Other Expenditures	253		270	(17)	
<b>Total Sub-Appropriation</b>	<b>2,344</b>	<b>27.00</b>	<b>2,776</b>	<b>(432)</b>	

1. *Under expenditure is essentially due to position vacancies.*

## Disbursements and Accounting

The role of the Disbursements and Accounting branch is to monitor the decentralized processing as well as controlling and reporting of all receipts to and disbursements from the Consolidated Fund in accordance with governing legislation and established accounting policies and practices. The branch also maintains a central payroll system for the payment of all government employees as well as an accounts payable vendor system for payments in relation to grants, supplies and services. It also maintains the official accounting records of the government and prepares its financial statements, which include both the Consolidated Fund (core government operations and Special Funds) and the summary financial statements which include all the Crown organizations and government business enterprises that are part of the government reporting entity.

During 2009/2010, the branch performed payroll transactions that included 455,763 direct deposits and 926 payroll cheques, while adhering to all deadlines and all related laws, regulations and policies. The branch also released 448,455 payments for grants, supplies and services, to corporations, firms and other recipients based on documents and supporting information provided by the government's operating departments. Approximately 53,148 of the total were direct deposit payments to vendors. Processing and collection of amounts owing to the government for shared-cost agreements were completed on a timely basis.

Quarterly financial report statements of the government were issued in accordance with established timetables and accounting policy. The annual financial reports, as represented by the Public Accounts, were prepared and released in accordance with *The Financial Administration Act*. The 2008/2009 summary financial statements of the government represented, by Volume 1 of the Public Accounts, and the more detailed financial statements, schedules and reports of the Consolidated Fund, represented by Volumes 2 and 3 of the Public Accounts, were all released September 10, 2009. Volume 4 of the Public Accounts, which represents the detailed financial statements of the funds, Crown organizations, government business enterprises that were within the government reporting entity, were released on March 5, 2010.

The branch continued to provide consultation and financial guidance for appropriate financial processes within the Consolidated Fund.

### 3 (c) Disbursements and Accounting

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	2,729	41.00	2,821	(92)	
Other Expenditures	849		890	(41)	
Less: Recoverable from Other Appropriations	(542)		(510)	(32)	
<b>Total Sub-Appropriation</b>	<b>3,036</b>	<b>41.00</b>	<b>3,201</b>	<b>(165)</b>	

## TAXATION DIVISION

The Taxation Division is responsible for efficiently and effectively administering the following Provincial Taxation Acts and ensuring revenues are collected as provided in these Acts:

*The Corporation Capital Tax Act*  
*The Gasoline Tax Act*  
*The Health and Post Secondary Education Tax Levy Act*  
*The Mining Tax Act*  
*The Motive Fuel Tax Act*  
*The Retail Sales Tax Act*  
*The Tax Administration and Miscellaneous Taxes Act*  
*The Tobacco Tax Act*  
 The continuing phase-out of *The Manitoba Succession Duty and Gift Tax Acts*

Actual revenues for the 2009/2010 fiscal year under the Taxation Acts noted above as well as for the Mining Claim Lease Tax and Environmental Protection Tax, were \$2.6 billion which exceeded estimated revenues by \$38 million.

The major variances from the estimate are as follows:

- Retail Sales Tax revenue fell short of the estimate by \$25 million due to lower than estimated economic growth, reduced activity in the construction industry and reduced consumer and business spending.
- Corporation Capital Tax revenues exceeded the estimate by \$26 million resulting from higher taxable capital reported by corporations.
- Tobacco Tax revenues exceeded the estimate by \$21 million due to reduced smuggling primarily resulting from a directed enforcement program.

### Comparative Statement of Actual Revenues (\$000s)

For Fiscal Years Ending March 31, 2006 to March 31, 2010

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Corporation Capital Tax	132,167	156,134	165,779	167,816	161,195
Gasoline Tax	152,466	154,052	152,472	136,063	139,807
Levy for Health and Education	303,055	317,654	341,383	357,501	364,736
Succession Duty and Gift Tax	3	3	3	3	3
Mining Claim Lease Tax	71	71	64	64	64
Mining Tax	39,192	96,369	99,637	45,927	9,924
Motive Fuel Tax	83,539	86,738	95,721	92,716	90,158
Retail Sales Tax	1,280,423	1,356,513	1,472,864	1,569,334	1,569,845
Tobacco Tax	191,637	201,576	190,627	189,633	215,543
Environmental Protection Tax	3,296	3,369	3,442	3,483	3,510
<b>Total</b>	<b>2,185,849</b>	<b>2,372,479</b>	<b>2,521,992</b>	<b>2,562,540</b>	<b>2,554,785</b>

## Management and Research

The Management and Research branch ensures the effective management and application of provincial taxation statutes. The government's taxation requirements are conveyed by providing tax expertise and direction to the Taxation Administration and Audit branches and providing information and interpretations to taxpayers and businesses that collect the taxes.

The major objectives of this branch are to:

- provide management, leadership and policy assistance on statutes administered by the Taxation Division;
- maintain an effective tax-gathering system that applies the legislation consistently and ensures the collection of the tax revenues imposed by the Acts administered by the Taxation Division;
- implement new tax legislation;
- meet with new vendors and provide information on the application of provincial tax to their business;
- respond accurately and promptly to enquiries from tax collectors and taxpayers;
- develop taxation revenue and expenditure forecasts and analyse variances from budgeted amounts;
- inform the Minister, Deputy Minister and Senior Assistant Deputy Minister of tax revenue options, and provide options to upgrade the effectiveness of legislation and tax administration policy;
- develop and update tax interpretation manuals for the use of Taxation Division staff, and tax bulletins to inform businesses of tax collection and remittance requirements; and
- provide tax management expertise and direction as needed to maximize the effectiveness of the Taxation Administration and Audit branches and to co-ordinate the efforts of all three branches on the implementation of new programs.

### Results:

- liaised with Canada Revenue Agency and other jurisdictions on co-operative information exchanges, joint compliance initiatives and other taxation administration and management issues;
- maintained a fair, effective and efficient tax-gathering system, with a sufficient deterrent to tax avoidance or evasion;
- evaluations regarding the implications of administrative and revenue options being considered by the government were developed on a timely basis;
- key information bulletins developed and/or updated and made available on the internet;
- taxpayer queries answered in a timely manner, promoting self-compliance; and
- conducted new vendor calls promoting self-compliance.

#### 4 (a) Management and Research

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)			\$(000s)	
Salaries and Employee Benefits	2,160	33.50	2,526	(366)	
Other Expenditures	283		284	(1)	
<b>Total Sub-Appropriation</b>	<b>2,443</b>	<b>33.50</b>	<b>2,810</b>	<b>(367)</b>	

## Taxation Administration

The Taxation Administration branch facilitates the effective and efficient administration and collection of taxes from taxpayers, as required by legislation, regulation and policies, and provides information to taxpayers.

The staffing complement for the 2009/2010 fiscal year was 61 staff positions. The branch is production-oriented and provides processing services and information to Manitoba taxpayers and provides the administrative needs of the other two branches of the Taxation Division. The Taxation Administration branch is responsible for ensuring the prompt and accurate processing of \$2.6 billion in tax revenues annually from the Taxation Acts administered by the Taxation Division.

The major objectives of this branch are:

- accurate processing of tax revenue received;
- providing an effective and efficient tax gathering system;
- ensuring tax rolls for each statute reflect the most current data available;
- proper reporting of the collection of taxes;
- accurate refunds with minimum delays;
- promote essential tax information to the taxpayer; and
- to effectively reduce outstanding tax arrears and delinquent tax returns.

### Results:

Results for the 2009/2010 fiscal year include 54,481 registered vendors, collectors and deputy collectors and 346,500 returns generated per annum.

The Administration branch processed 13,079 refunds (representing \$70.25 million) and chargeback's (representing \$1.67 million).

As at March 31, 2010, there were service stations operating on 40 reserves with 66 retailers who had entered into an agreement with the province to provide tax-free fuel to First Nations. A total of \$7.39 million representing 1,963 claims was disbursed under this program during the 2009/2010 fiscal year for both diesel and gasoline fuel. In addition, 11 northern reserves acquire bulk fuel through collectorship arrangements.

In the 2009/2010 fiscal year, the Manitoba government had established agreements with Indian Bands to provide a tobacco tax exemption for tobacco products sold to status First Nations people on reserves. As at March 31, 2010 there were 57 bands with agreements and 3 bands on an alternate tax exemption program. A total of \$22.27 million representing 1,387 claims was disbursed under these programs during the fiscal year.

### Collections

The Collections section is responsible for the collection of all outstanding taxes and delinquent returns, and taxpayer compliance with the statutes administered by the Taxation Division. This is accomplished by telephone contact, enforcement action, and on-site visits.

#### 4 (b) Taxation Administration

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)			\$(000s)	
Salaries and Employee Benefits	3,100	61.00	3,385	(285)	
Other Expenditures	4,395		3,088	1,307	1
<b>Total Sub-Appropriation</b>	<b>7,495</b>	<b>61.00</b>	<b>6,473</b>	<b>1,022</b>	

1. *Over expenditure is due to an increase in the provision for doubtful accounts for taxation receivables.*

### Audit

The Audit branch ensures that all taxes administered by the Taxation Division are remitted to the province through the promotion of voluntary compliance by taxpayers (including all collectors and registrants).

The Audit branch is structured into four operational units:

- **Audit** is responsible for conducting audits of taxpayers under the taxation statutes administered by the Taxation Division.
- **Audit Review** is responsible for the quality review of audit files, workload development, file selection, taxpayer appeals and the development of audit policies and procedures.

- **Investigations** is responsible for gathering evidence, the investigation of violations and the laying of charges under the taxation statutes administered by the Taxation Division.
- **Westman Regional Office** provides a rural perspective to tax policy development and operational programs, responsibility for all audit functions as well as investigations in Western Manitoba.

The major objectives of this branch are to:

- develop an efficient and effective audit program focused on high risk areas and throughout the cross-section of industries;
- develop an efficient and effective investigation program where violations under the taxation statutes are detected;
- provide accurate information in a timely manner to businesses relating to tax interpretation of the taxation statutes; and
- develop branch policies and procedures that ensure fair and consistent tax application to all businesses.

#### Results:

- conducted audits and investigations to ensure proper remittance of taxes and promote voluntary compliance by taxpayers;
- liaised with Canada Revenue Agency, Canada Border Services Agency and other jurisdictions to develop co-operation and implement exchange of information on audits, investigations and best practices;
- issued policies and procedures to staff to assist in the performance of audits and investigations; and
- participated in joint force investigations with Federal agencies and other jurisdictions regarding Tobacco Tax, Retail Sales Tax, Gasoline Tax, Motive Fuel Tax and the International Fuel Tax Agreement.

#### Audit

Completed refunds	318
Completed files	1,554
Audit recoveries	\$35,279,482

#### Audit Review

Audit files reviewed	639
Reviewed Notices of Assessments	71
Appeals reviewed (In progress 43; Completed 19)	62

#### Investigations

Completed files	258
Charges	171
Convictions	72
Fines	\$ 47,219
Recoveries	\$491,608

#### 4 (c) Audit

Expenditures by Sub-Appropriation	Actual 2009/2010 \$(000s)	Estimate 2009/2010 FTEs		Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	6,508	89.00	6,764	(256)	
Other Expenditures	957		1,144	(187)	1
<b>Total Sub-Appropriation</b>	<b>7,465</b>	<b>89.00</b>	<b>7,908</b>	<b>(443)</b>	

1. *Under expenditure is essentially due to lower operating costs resulting from position vacancies.*

## Tobacco Interdiction

The Tobacco Interdiction program protects the revenues of the government under *The Tobacco Tax Act*. This program was implemented to counter against the increased risk of smuggling of lower taxed tobacco products from Eastern Canada to Manitoba and the Western provinces.

The Tobacco Interdiction program is made up of a combination of staff seconded from the Investigations group, Audit branch and the hiring of investigators and auditors on a casual/term basis specifically for this program.

The major objectives of this program are to:

- maintain an effective tax gathering system through the presence of an enforcement profile that will promote voluntary compliance by taxpayers and tax collectors;
- develop audit and investigation programs that detect tax evaders;
- prosecute tax evaders; and
- provide information to taxpayers on proper tax collection and remittance requirements.

### Results:

- prosecuted tax evaders, including participating in investigations with the RCMP, Canada Revenue Agency, Canada Border Services Agency and Winnipeg Police Service of contraband tobacco violations, resulting in several joint force seizures and subsequent prosecutions under *The Tobacco Tax Act* and *Federal Excise Act, 2001*.
- liaised with counterparts in the departments of Finance across Canada and other local, national and international law enforcement agencies on a regular basis to co-ordinate the investigation and prosecution of the smuggling of contraband tobacco into Western Canada and to exchange information and best practices.
- recommended related policy change options and amendments to legislation, including increasing fines and penalties and providing for broader and improved powers of search and seizure during investigations.

### Tobacco Interdiction

Completed files	114
Charges	28
Convictions	18
Fines	\$ 17,550
Recoveries	\$ 282,301

#### 4 (d) Tobacco Interdiction

Expenditures by Sub-Appropriation	Actual	Estimate	Variance		Expl. No.
	2009/2010 \$(000s)	2009/2010 FTEs	2009/2010 \$(000s)	Over/(Under) \$(000s)	
Salaries and Employee Benefits	357	10.00	606	(249)	1
Other Expenditures	163		252	(89)	2
<b>Total Sub-Appropriation</b>	<b>520</b>	<b>10.00</b>	<b>858</b>	<b>(338)</b>	

1. Under expenditure is due to position vacancies.
2. Under expenditure is due to lower operating costs resulting from position vacancies.

# TAXATION, ECONOMIC AND INTERGOVERNMENTAL FISCAL RESEARCH DIVISION

The Taxation, Economic and Intergovernmental Fiscal Research Division is comprised of four branches, which make up the Economic and Federal-Provincial Research Unit:

- Intergovernmental Finance branch;
- Federal-Provincial Relations branch;
- Economic and Fiscal Analysis branch; and
- Taxation Analysis branch, which is also responsible for the Manitoba Tax Assistance Office.

The major areas of responsibility include intergovernmental fiscal and policy relations, economic and fiscal analysis, tax policy formulation and management of tax credit programs. The division's senior staff consists of an Assistant Deputy Minister, the directors of the four branches, the assistant director of the Taxation Analysis branch and the Director of Communications and Strategic Initiatives.

The division's primary functions are:

- provide research, technical and analytical support in respect of national and provincial fiscal and economic matters and strategic intergovernmental relations including cost-shared programs;
- administer fiscal arrangements and tax collection agreements with the federal government and administer tax credit programs with the federal government and municipalities;
- provide advice and policy analysis with respect to a broad range of economic and fiscal matters including revenue and expenditure policies, and advising on policies relating to federal-provincial fiscal and economic relations;
- co-ordinate the development during each budget process and throughout the year of the province's medium-term revenue projection;
- co-ordinate the fiscal and taxation analysis necessary for the Minister and Cabinet to develop the Budget;
- co-ordinate the production of the Budget and related documents;
- support provincial policy, and advance provincial fiscal interests while representing the province in various meetings and committees;
- serve as the principal administrative unit of the province for *The Income Tax Act (Manitoba)*, *The Federal-Provincial Fiscal Arrangements Act* and the Tax Collection Agreement with the federal government;
- administer tax credit programs with the federal government and municipalities; and
- manage and administer tax credit programs and other programs related to income tax and property tax including distribution of benefits, providing the public with information and assistance, and co-administering and monitoring claims through the income tax system.

## Intergovernmental Finance

The Intergovernmental Finance branch includes four staff positions.

The branch director and staff undertake ongoing monitoring and analysis of federal transfer payments for major social programs including health care, post-secondary education and social services, as well as the Equalization Program and other transfer programs, and some aspects of provincial/local government fiscal arrangements. The branch also prepares projections of federal transfer payments as input into the province's medium-term revenue projections.

Total provincial revenues governed by federal-provincial transfer arrangements and administered by the branch in 2009/2010 included: \$2.06 billion in Equalization payments; \$1.29 billion in cash payments for major health and social programs; and \$2.3 million Government of Canada Subsidy.

The branch director and staff represent the province at federal-provincial-territorial and provincial-territorial meetings and on working groups on fiscal arrangements and the Canada Pension Plan (CPP), in support of Manitoba's responsibilities as a joint steward of the CPP. In addition, the branch also provides support to other departments and participates in various intergovernmental working groups.

## **Federal-Provincial Relations**

The Federal-Provincial Relations branch provides strategic policy advice, analysis and support in managing Manitoba's relationships with the federal government and other provincial and territorial (PT) governments on matters of intergovernmental significance. The branch promotes Manitoba's interests in the development of interprovincial/territorial positions and policies by working with other provinces and territories, and in the development and implementation of national policies by working with the federal government.

The Federal-Provincial Relations branch ensures that the Government of Manitoba has adequate and timely information on implications resulting from national and regional trends and the implementation of programs and policies by the federal government and/or other PT governments. The Federal-Provincial Relations branch ensures that a consistent corporate strategy and position regarding Manitoba's priorities for action in the intergovernmental arena is achieved.

The Federal-Provincial Relations branch works side-by-side with the Canada-US and International Relations branch of the Department of Entrepreneurship, Training and Trade.

### **Principal Activities in 2009/2010**

In 2009/2010, the Federal-Provincial Relations branch engaged in the following activities:

- Provided comprehensive strategic briefing materials in support of meetings of the Western Premiers' Conference, Council of the Federation, and a range of bilateral and multilateral meetings between the Premier and the Prime Minister, Federal Ministers, and other Premiers.
- Implemented Cabinet's direction in dealing with Manitoba's strategic federal-provincial priorities.
- Collaborated with other provinces and territories to support the work of Premiers through the Council of the Federation and the Western Premiers' Conference.
- Represented Manitoba at federal-provincial and interprovincial Deputy Ministers' and senior officials' meetings and on a number of committees that prepare for major intergovernmental conferences.
- Reviewed and evaluated policy and program initiatives as they relate to intergovernmental relations and acted as a liaison in providing strategic policy advice on relations with the federal government and other provinces and territories.
- Co-ordinated interdepartmental activities on intergovernmental policies and issues.

### **Highlights in 2009/2010**

The Western Premiers' Conference brings together the Premiers of the western provinces and territories to address issues of mutual interest and concern. At the 2009 meeting held in Dawson City, Yukon June 17-19, 2009, Western Premiers discussed: stimulus actions including employment insurance reform, infrastructure, environmental assessment and internal trade; opportunities for increasing competitiveness of the West including research and innovation, air transportation regulations, and new and modern governmental and non-governmental partnerships; strategies for creating safer communities; Canada's energy future including carbon capture and storage and renewable energy; and Canada-US relations.

The Council of the Federation (COF), the organization of Canada's Premiers, met twice in 2009/2010. The COF met by teleconference in May 2009 to discuss issues including China's ban on Canadian pork products and the seal ban by the European Union. The COF Annual Summer Meeting was held in Regina, Saskatchewan from August 5-7, 2009. Premiers discussions focused on: the state of the economy including the impact of stimulus initiatives on individual PT economies and how Canada can emerge from the recession stronger; building strong international relationships including how they can work together and individually to promote Canada internationally; North American and international climate change and energy dialogues; and preparations to limit the spread of the H1N1 virus.

The COF also conducted a mission to Washington, D.C. on February 19-21, 2010. The mission focused on trade and border issues, as well as on energy and the environment. Saskatchewan, Ontario, Québec, Nova Scotia, New Brunswick, Manitoba, Prince Edward Island, Alberta, and Newfoundland and Labrador were represented in the mission. The centrepiece of the mission was a joint meeting between Premiers and Governors as part of the National Governors' Association (NGA) Winter Meeting. Although Premiers had attended NGA meetings in the past, and NGA representatives had also attended Premiers meetings, this was the first-ever meeting of the Council of the Federation with its counterpart organization in the U.S. Premiers also met with members of the Obama Administration, as well as representatives of leading think tanks.

On February 2, 2010, Saskatchewan and Manitoba also held the first ever joint cabinet meeting in Yorkton, Saskatchewan. At this meeting, Manitoba and Saskatchewan agreed to promote and improve cooperation and trade between the two provinces through initiatives such as harmonizing transportation regulations and undertaking a feasibility study towards expanding trade in electricity. The two jurisdictions also discussed economic and fiscal issues including reiterating their positions not to pursue the harmonization of the PST and GST. The importance of Aboriginal education to the region's future prosperity was also highlighted and the two provinces agreed to work together to share information and approaches. Canada-US trade issues regarding energy and agriculture were also discussed. A second meeting of the Manitoba and Saskatchewan Cabinets will be convened in Brandon, Manitoba in 2011.

## **Economic and Fiscal Analysis**

The Economic and Fiscal Analysis branch includes four staff positions. The branch's mandate is to provide economic and fiscal analysis of national and regional matters for the Minister and Cabinet, as well as for use by various departments in policy development and estimates preparation.

### **Activities:**

- monitors and reviews a wide variety of private sector and public sector analyses and forecasts;
- maintains an extensive information base;
- represents the province on federal-provincial committees and working groups;
- provides inter-departmental co-ordination of economic analysis through the Inter-departmental Economic Outlook Group;
- co-ordinates and develops components of the province's medium-term revenue projections;
- monitors the federal government's fiscal situation and prospects;
- prepares major components of provincial borrowing prospectuses and securities registration with regard to economic and financial data;
- represents the province in "due diligence" examinations of borrowing documents;
- prepares major presentations and publications for financial institutions and credit-rating agencies; and
- responds to numerous requests for information on the Manitoba economic and fiscal situation from Canadian and international investment analysts as well as from companies, organizations and individuals in Manitoba.

## **Taxation Analysis**

The Taxation Analysis branch has seven staff positions with a further eight staff positions in the Manitoba Tax Assistance Office.

The branch maintains databases and analytic models, and develops recommendations for the Minister and Cabinet for taxation policy and for specific tax measures and tax credits. Tax measures are implemented through provincial budgets, legislation and agreements, the most significant being the Canada-Manitoba Tax Collection Agreement respecting income taxation.

The branch is responsible for analyzing the fiscal and economic effects of tax measures and proposals. This work entails participation in the relevant federal-provincial working groups and representing the province at various federal-provincial meetings.

Total provincial revenue from income taxes administered by the branch in 2009/2010 amounted to \$2,401.4 million in individual income tax and \$257.1 million in corporation income tax.

The director and assistant director supervise the Manitoba Tax Assistance Office and the tax and related programs administered by that office. These programs benefit approximately 500,000 Manitobans annually. The Manitoba Tax Assistance Office also provides information and assistance to Manitobans in completing the provincial portion of their income tax returns as well as handling general inquiries respecting Manitoba income tax and tax credits.

## Revenue from Federal-Provincial Fiscal Arrangements (\$000s) For Fiscal Years Ending March 31, 2006 to March 31, 2010

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
<b>Income Taxes</b>					
Individual Income Tax	1,948,854	2,130,493	2,284,669	2,455,117	2,401,381
Corporation Income Tax	373,569	310,587	366,818	386,131	257,081
<b>Subtotal</b>	<b>2,322,423</b>	<b>2,441,080</b>	<b>2,651,487</b>	<b>2,841,248</b>	<b>2,658,462</b>
<b>Federal Transfers</b>					
Equalization	1,601,018	1,709,430	1,825,796	2,063,394	2,063,394
Canada Health Transfer (CHT)	733,313	773,090	816,684	875,409	897,402
Canada Social Transfer (CST)	324,552	335,421	347,463	387,531	392,184
Bill C-48	48,900	48,911	-	-	-
Police Officers Recruitment Fund	-	-	-	14,400	-
Public Transit Capital Fund	-	-	-	17,912	-
Government of Canada Subsidy	2,284	2,284	2,284	2,298	2,322
Community Development Trust	-	-	41,880	-	-
<b>Subtotal</b>	<b>2,710,067</b>	<b>2,869,136</b>	<b>3,034,107</b>	<b>3,360,944</b>	<b>3,355,302</b>
<b>Total from Fiscal Arrangements</b>	<b>5,032,490</b>	<b>5,310,216</b>	<b>5,685,594</b>	<b>6,202,192</b>	<b>6,013,764</b>

## Net Tax Credit Payments

<b>9 Net Tax Credit Payments</b>					
Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	\$(000s)	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Education Property Tax Credit	266,791		264,896	1,895	
Personal Tax Credit	40,592		42,000	(1,408)	
School Tax Assistance for Tenants and Homeowners (55+)	1,268		1,810	(542)	
Political Contribution Tax Credit	257		975	(718)	
Riparian Property Tax Reduction	33		45	(12)	
Federal Administration Fee	1,059		1,101	(42)	
Less: Recoverable from Education:					
Education Property Tax Credit	(266,791)		(264,896)	(1,895)	
School Tax Assistance for Tenants and Homeowners (55+)	(1,268)		(1,810)	542	
<b>Total Sub-Appropriation</b>	<b>41,941</b>		<b>44,121</b>	<b>(2,180)</b>	<b>1</b>

1. Net under expenditure is essentially due to prior years' adjustments.

**5 (a) Economic and Federal-Provincial Research**

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	2,176	25.25	2,296	(120)	
Other Expenditures	1,414		1,508	(94)	
<b>Total Sub-Appropriation</b>	<b>3,590</b>	<b>25.25</b>	<b>3,804</b>	<b>(214)</b>	

**Manitoba Tax Assistance Office**

The major functions fulfilled by the Manitoba Tax Assistance Office include:

- informing and assisting taxpayers on the proper application of Manitoba Income Tax and tax credit programs for residents of Manitoba;
- administering the Manitoba Education Property Tax Credit Advance program;
- enforcing the provisions of the legislation governing the Manitoba Income Tax and Manitoba tax credit programs, including recovery of ineligible claims;
- administering Tax Rebate Discounting;
- administering the Riparian Tax Credit program;
- administering components of the Co-op Education and Apprenticeship Tax Credit program;
- administering components of the Tuition Fee Income Tax Rebate program;
- administering components of the Primary Caregiver Tax Credit program; and
- in co-operation with the Canada Revenue Agency and a variety of provincial departments, managing or overseeing the administration of a variety of programs, including the Green Energy Equipment Tax Credit, Book Publishing Tax Credit and the Community Economic Development and Investment Tax Credits.

**5 (b) Manitoba Tax Assistance Office**

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	372	8.00	485	(113)	
Other Expenditures	114		142	(28)	
<b>Total Sub-Appropriation</b>	<b>486</b>	<b>8.00</b>	<b>627</b>	<b>(141)</b>	

# TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support as well as advice to the Minister of Finance and Treasury Board in fulfilling fiscal management responsibilities. The Secretariat is headed by a Deputy Minister who acts as Secretary to the Board.

The major functions fulfilled by the Secretariat include:

- monitoring, analyzing, and reporting on the financial position of the province;
- planning and co-ordinating the review and preparation of the annual estimates and participating in the development of the annual budget;
- providing analyses in support of the efficient and effective utilization/allocation of the province's financial and human resources, both in the context of the annual estimates process and on an ongoing basis throughout the year;
- undertaking reviews of specific program areas;
- co-ordinating expenditure management, continuous improvement, and planning and program performance measurement processes for government;
- developing and communicating policies, procedures and guidelines on administrative matters, and maintaining the General Manual of Administration;
- providing guidance to departments in the identification of potential Special Operating Agency (SOA) candidates and in the development of proposals and business plans as well as monitoring and reporting on the operation of special operating agencies;
- representing the government and department management in all labour relations and compensation activities within the civil service as well as providing specialized consulting services regarding labour relations and compensation matters within the public sector; and
- providing central administrative services to government-wide employee benefit and insurance programs in accordance with collective agreements, legislation and human resource policies.

The 2009/2010 Estimates of Expenditure and Revenue were tabled in the Legislature with the 2009 Manitoba Budget on March 25, 2009.

## Fiscal Management and Capital Planning

Fiscal Management and Capital Planning (FMCP) is responsible for developing fiscal strategy and planning options for the Government of Manitoba. This is accomplished through the maintenance of an effective budget/planning cycle within an overall fiscal framework. FMCP develops, implements and co-ordinates the annual estimates process for core government expenditure and revenue, and finalizes the Estimates of Expenditure and Revenue for tabling in the Legislature. FMCP, in co-ordination with the Comptroller's Division, also works with organizations included in the Government Reporting Entity to prepare the Government of Manitoba's Summary Budget and Summary Financial Reports for the public.

FMCP monitors the fiscal status of the core government and prepares reports, ensuring that the government has accurate, timely and relevant information on its fiscal position. Financial and operational information is provided to senior management of the province to facilitate sound financial management of government programs. FMCP also prepares money bills and support information for tabling in the Legislature, and develops and implements such processes that are necessary to maintain the orderly business of government.

In addition, FMCP is responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process related to capital projects and capital expenditures, and for the continued development and support of a multi-year capital planning process. As well, FMCP provides guidance to departments in identifying potential Special Operating Agency candidates, developing proposals and monitoring financial performance.

## **Analytical Units**

Three analytical units are responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process, with respect to program, policy and financial direction to departments. The units monitor, analyze and advise on departmental activities, ensuring the effective, efficient and consistent delivery of government policies and priorities. In addition, the analytical units provide support and assistance to the Fiscal Management and Capital Planning unit.

The units are major participants in the development of the annual estimates of expenditure and revenue. They provide advice and guidance to assigned departments in the preparation of their estimates, analyze departmental estimates and evaluate whether they meet fiscal guidelines, and evaluate alternative strategies. They provide advice and recommendations to Treasury Board on program, policy and resource allocation issues, and they communicate and review Treasury Board decisions with assigned departments.

The analytical units also provide ongoing advice and analysis to Treasury Board by reviewing departmental Treasury Board Submissions and providing assessments and recommendations. Other activities include participating in departmental reviews and studies; providing advice to departments on Treasury Board guidelines and procedures, as well as on various policy and financial issues; monitoring the program and financial status of departments; analyzing and reporting on departmental financial information to ensure compliance with government policy and financial objectives; and working with senior departmental personnel to ensure that the necessary communication between Treasury Board and departments is maintained.

## **Expenditure Management and Continuous Improvement**

This unit is responsible for co-ordinating a range of activities, including co-ordinating the strategic planning component of the annual estimates process, conducting program reviews of selected program areas, co-ordinating performance management activities and other internal service improvement projects.

The unit also develops, interprets and evaluates government-wide administrative policies, which are communicated in the General Manual of Administration (GMA).

### **Results:**

Government capacity to measure, monitor and evaluate programs continued to be strengthened in 2009/2010 through delivery of training sessions to departments on performance measurement and reporting.

Performance measures in departmental annual reports continued to be enhanced to provide meaningful and useful information about government activities and their impact on the province and its citizens.

## **Co-ordination of Special Operating Agencies**

*The Special Operating Agencies Financing Authority Act* received Royal Assent on June 24, 1992 and provides for the establishment of Special Operating Agencies (SOA). SOAs are service operations, which are granted more direct responsibility for their operating results and have increased management flexibility to encourage entrepreneurship, enhance service, and achieve cost savings for government. The Co-ordinator of SOAs is responsible for providing guidance to departments in identifying potential candidates and in developing proposals and business plans that are reviewed within the annual estimates process.

In 2009/2010, the complement of seventeen SOAs achieved over \$208 million in revenue for government, and continue to provide cost effective services for government and other clients. Further information on the operation of SOAs is provided in the Annual Reports for the Special Operating Agencies Financing Authority and for each agency.

## **Labour Relations**

### **Compensation Services**

Compensation Services provides a complete range of services related to administration of the Province's job classification program, employee benefits programs and compensation programs to support the collective bargaining process and human resource policy development. Service is provided to Treasury Board, government negotiators, human resource practitioners and department managers. Service is also provided to external public sector organizations requiring advice, information or interpretation of civil service compensation policies and practices. The branch represents government in negotiations with employee representatives to amend the Civil Service Superannuation Plan, the Public Service Group Insurance Plan and the Teachers Pension Plan.

#### **Results:**

Support in the form of research and costing was provided to Negotiation Services related to the implementation of various collective agreements.

In February 2009, government-wide classification reviews were consolidated within the Compensation Services branch in order to improve responsiveness, consistency and transparency of the classification and reclassification processes. New policies, processes, and procedures were developed to reflect this consolidation.

A total of 1,877 classification assessments were received for evaluation. In addition, the branch implemented two new or revised classification series.

Compensation and benefits information management systems were maintained and expanded, and information exchanged with a variety of local and national employers. Compensation Services conducted 12 surveys and responded to 67 surveys from other employers during 2009/2010.

A number of policies were updated to reflect current compensation policy and practice within the organization.

### **Benefits Administration**

The Benefits Administration branch is responsible for providing central administrative services for government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and human resources policies. Benefits programs include the Ambulance & Hospital Semi-Private (AHSP), Dental, Vision, Prescription Drugs, Extended Health, Travel Health, Long-Term Disability (LTD) plans and Health Spending Account. The branch also provides advice to government departments and other public sector organizations with respect to the application of benefits programs.

Workers Compensation Board (WCB) costs from government departments and agencies are managed through the Benefits Administration branch. Financial information for statutory benefit and insurance programs including Civil Service Superannuation Plan, Canada Pension Plan, Group Life Insurance Plan, Employment Insurance, and the Levy for Health and Post-Secondary Education is compiled through the branch. Additionally, the branch is responsible for co-ordinating the budgeting and financial reporting activities related to employee pensions, benefits and other salary related costs.

#### **Results:**

The branch provided administrative support and disability management services for LTD plan recipients and monitored accommodation issues related to redeployment of employees on medical grounds. During the 2009/2010 fiscal year, 38 employees who had been on LTD were returned to work. As of March 31, 2010, 224 individuals were in receipt of LTD benefits.

## Negotiation Services

Negotiation Services provides a complete range of labour relations services to government by representing management in labour relations activities involving both unionized and non-unionized employees. These activities include negotiation of collective agreements with various bargaining agents representing government employees, administration of collective agreements, and providing labour relations assistance respecting non-union employees. The branch also provides, upon request, labour relations services to Crown corporations and government-funded agencies.

### Results:

The branch represented the Province at the Manitoba Labour Board in the certification application of Emergency Duty Workers for Family Services and Consumer Affairs in Flin Flon. The branch represented the province in the negotiation and renewal of one Family and Community Wellness Inc. NCN collective agreement representing Thompson receiving home employees. These workers were represented by the MGEU. The branch is involved in negotiating a transition agreement to incorporate Manitoba Housing Authority employees into the Civil Service. There are three collective agreements in place, two involving the MGEU and the third with the International Union of Operating Engineers (IUOE).

## Contract Administration

Negotiation Services provides support and guidance to management concerning the implementation and interpretation of collective agreements. Services include providing counsel on proposed actions concerning labour relations issues in the workplace. As part of this responsibility, the branch co-ordinates grievance and arbitration activities on behalf of government and conducts training sessions for managers and human resources staff regarding their rights and responsibilities in managing under a collective agreement.

### Results:

The branch successfully represented the government and a number of Crown agencies before boards of arbitration concerning several rights issues involving both contract interpretation as well as discipline and dismissal matters. In addition, staff managed the interests of the province before the Manitoba Human Rights Commission on a number of human rights cases and before the Manitoba Labour Board on a number of jurisdictional issues. Staff continued to conduct a series of training sessions for line managers and human resource professionals on the topics of "Grievance and Discipline Handling" and "Managing Under a Collective Agreement".

### 7(a) Treasury Board Secretariat

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	5,662	71.00	6,173	(511)	
Other Expenditures	1,387		1,042	345	1
<b>Total Sub-Appropriation</b>	<b>7,049</b>	<b>71.00</b>	<b>7,215</b>	<b>(166)</b>	

1. *Over expenditure is due to in-year corporate initiatives.*

## Francophone Affairs Secretariat

The Francophone Affairs Secretariat advises the Government of Manitoba and the Minister responsible for Francophone Affairs on the development of government services offered in French and on matters relating to the French Language Services (FLS) policy in general.

The Secretariat guides, monitors, seeks and facilitates the implementation of the Government of Manitoba's FLS Policy in a manner consistent with the concept of *active offer* and makes recommendations to that effect. The Secretariat's mandate applies to all administrative bodies covered by the FLS policy.

The Secretariat provides assistance and direction to the administrative bodies covered by the Government of Manitoba's FLS policy and serves as a liaison between the government and Francophone organizations in the province. Since April 1, 2008, the Secretariat is administratively attached to the Treasury Board Secretariat.

### Results:

- Co-ordinated the inclusion of projects to be funded in 2009/2010 under the Canada-Manitoba Agreement on French Language Services (CMAFLS), a cost-sharing agreement where Manitoba's \$1.4 Million contribution is matched by the federal government;
- In collaboration with the federal Department of Canadian Heritage, renewed the CMAFLS Agreement for 2009-2013;
- Manitoba contributed a total of \$15,000 toward two projects funded under the FLS component of the Memorandum of Understanding on Interprovincial Co-operation between the Governments of Manitoba and New Brunswick and \$24,300 toward five projects funded under the Agreement for Co-operation and Exchange between the Governments of Quebec and Manitoba. This allowed a number of Franco-Manitoban organizations to benefit from exchanges, mentoring, training and sharing of expertise;
- Officially opened the St. Vital Bilingual Service Centre (BSC) on June 5, 2009;
- Continued the planning process for the establishment of a BSC in Ste. Anne;
- Promoted the services offered in the five BSCs and organized outreach activities in the different communities; resulting in an overall increase of 4.41% of clients for the existing BSCs, over the previous year, for a total of 80,501 clients;
- Formalized the partnership between the BSCs and the Société franco-manitobaine's 233-ALLÔ Information Centre with the signing of a five-year agreement on April 22, 2009;
- Provided direction, consultation, analytic and planning support to 24 administrative bodies (including 17 departments and five Crown corporations) via the Secretariat's FLS Facilitator Team;
- Pursued the *Bonjour-Hello* promotional campaign on Manitoba's active offer of services in French and organized 85 orientation sessions for over 1,450 employees in some 25 administrative bodies;
- Launched the new Bilingual Fulltime Shared FLS Co-ordinator pilot project in May 2009; hired two new co-ordinators in May 2009 and January 2010 to work with clusters of three or four departments each, in view of finding practical ways in which to implement the FLS Policy and the concept of active offer;
- Participated in a number of committees and conferences at the national and international levels, including the World Acadian Congress, held in New Brunswick in August 2009 and the Ministerial Conference on the Canadian Francophonie held in Vancouver, September 23-24, 2009;
- In co-operation with Manitoba Culture, Heritage and Tourism, provided a grant of \$75,000 to the Corporation de la Place de la francophonie 2010 to spotlight and showcase Manitoba at the *Place de la francophonie* during the 2010 Winter Olympic Games in Vancouver, B.C.;
- In co-operation with the Bureau de l'éducation française, undertook negotiations for the designation of Ontario's French Educational Television Channel (TFO) as an educational authority with a view of making the distribution of its programming services mandatory in Manitoba;

- Co-ordinated 175 registrations for French language training: evening and weekend programs for government employees, the continuation of two pilot projects involving French language training during the workday for 20 employees of the former department of Family Services and Housing, and the upgrading of skills via the Internet. Continued cost-shared tutoring to include Ministers, Deputy Ministers, and MLAs;
- Dealt with 25 complaints, as well as various issues raised by the public regarding FLS;
- Redesigned the Secretariat's bilingual website to make it more user friendly and add new categories of information;
- Prepared the Report on French Language Services 2008/2009; and
- In March 2010, as part of the *Rendez-vous de la Francophonie*, launched the Call for Nominations for the *Prix Ronald-Duhamel – Ronald Duhamel Award*, created to recognize an employee or group of employees of a government or quasi-governmental body at the federal, provincial or municipal level for distinguished service to Manitoba's Francophone community.

**7 (b) Francophone Affairs Secretariat**

Expenditures by Sub-Appropriation	Actual	Estimate 2009/2010		Variance	Expl. No.
	2009/2010	FTEs	2009/2010	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Salaries and Employee Benefits	864	15.00	878	(14)	
Other Expenditures	579		579		
<b>Total Sub-Appropriation</b>	<b>1,443</b>	<b>15.00</b>	<b>1,457</b>	<b>(14)</b>	

## CONSUMER AND CORPORATE AFFAIRS DIVISION

Please note that the Consumer and Corporate Affairs Division was transferred to Family Services and Consumer Affairs in November 2009 as part of a government department re-organization.

## CAPITAL INVESTMENT (Part B)

Capital investment is provided in the Estimates of Expenditures under Part B. For the year ended March 31, 2010, the department's capital authority provided for integration of software in support of standardized auditing practices in the Internal Audit and Consulting Services branch.

<b>Part B Capital Investment</b>					
<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/2010 \$(000s)</b>	<b>Estimate 2009/2010</b>		<b>Variance Over/(Under) \$(000s)</b>	<b>Expl. No.</b>
		<b>FTEs</b>	<b>\$(000s)</b>		
Finance			112	(112)	1
<b>Total Sub-Appropriation</b>			<b>112</b>	<b>(112)</b>	

1. *Under expenditure is due to the deferral of the integration of software in support of standardized auditing practices in the Internal Audit and Consulting Services branch pending further review and analysis.*

## SUSTAINABLE DEVELOPMENT

The department is committed to the Principles and Guidelines set out in *The Sustainable Development Act* and works to incorporate them in department activities, programs and business practices.

The following activities continued throughout 2009/2010:

- The department maintained its sustainable development homepage on the *Intranet* as a department link to *The Sustainable Development Act* and the Green Procurement page of the Procurement Services branch, Manitoba Infrastructure and Transportation.
- "Green" products and recycled materials continue to be purchased where available including the purchase of recycled copy paper.
- The department continued the recycling of various materials.
- Departmental staff assigned fleet vehicles continue to use ethanol-blended gasoline where available.

**Part A - Operating Expenditure  
Department of Finance  
Reconciliation Statement**

<b>Details</b>	<b>\$000s</b>
2009/2010 Main Estimates	354,119
Transfer of functions to: Family Services and Consumer Affairs	(12,620)
Allocation of Funds from:	
Enabling Appropriations	650
Internal Service Adjustments	97
<b>2009/2010 Estimate</b>	<b>342,246</b>

Manitoba Finance

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2010 with comparative figures for the previous fiscal year (\$000s)

Estimate 2009/2010	Appropriation	Actual 2009/2010	Actual 2008/2009	Increase (Decrease)	Explanation Number
	07- 1 ADMINISTRATION AND FINANCE				
46	(a) Minister's Salary	38	45	(7)	
	(b) Executive Support				
1,062	Salaries and Employee Benefits	933	916	17	
167	Other Expenditures	187	212	(25)	
	(c) Financial and Administrative Services				
599	Salaries and Employee Benefits	572	484	88	
87	Other Expenditures	73	74	(1)	
19	(d) Tax Appeals Commission	19	20	(1)	
34	(e) Independent Administrator	33	31	2	
	(f) Human Resource Services				
515	Salaries and Employee Benefits	497	471	26	
155	Other Expenditures	122	128	(6)	
	(g) Information Technology Services				
1,268	Salaries and Employee Benefits	1,076	1,113	(37)	
137	Other Expenditures	134	131	3	
4,089	Subtotal 07- 1	3,684	3,625	59	
	07- 2 TREASURY				
	(a) Administration				
138	Salaries and Employee Benefits	140	135	5	
111	Other Expenditures	97	94	3	
	(b) Capital Markets				
662	Salaries and Employee Benefits	534	446	88	
74	Other Expenditures	56	56		
	(c) Treasury and Banking Operations				
1,032	Salaries and Employee Benefits	925	895	30	
104	Other Expenditures	99	140	(41)	1
2,121	Subtotal 07- 2	1,851	1,766	85	

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2010 with comparative figures for the previous fiscal year (\$000s)

Estimate 2009/2010	Appropriation	Actual 2009/2010	Actual 2008/2009	Increase (Decrease)	Explanation Number
	07- 3    COMPTROLLER				
	(a)    Comptroller's Office				
485	Salaries and Employee Benefits	414	407	7	
92	Other Expenditures	84	92	(8)	
	(b)    Internal Audit and Consulting Services				
2,506	Salaries and Employee Benefits	2,091	2,162	(71)	
270	Other Expenditures	253	266	(13)	
	(c)    Disbursements and Accounting				
2,821	Salaries and Employee Benefits	2,729	2,723	6	
890	Other Expenditures	849	870	(21)	
(510)	Less: Recoverable from Other Appropriations	(542)	(527)	(15)	
<b>6,554</b>	<b>Subtotal 07- 3</b>	<b>5,878</b>	<b>5,993</b>	<b>(115)</b>	
	07- 4    TAXATION				
	(a)    Management and Research				
2,526	Salaries and Employee Benefits	2,160	2,203	(43)	
284	Other Expenditures	283	404	(121)	2
	(b)    Taxation Administration				
3,385	Salaries and Employee Benefits	3,100	3,284	(184)	
3,088	Other Expenditures	4,395	3,770	625	3
	(c)    Audit				
6,764	Salaries and Employee Benefits	6,508	6,481	27	
1,144	Other Expenditures	957	960	(3)	
	(d)    Tobacco Interdiction				
606	Salaries and Employee Benefits	357	340	17	
252	Other Expenditures	163	173	(10)	
<b>18,049</b>	<b>Subtotal 07- 4</b>	<b>17,923</b>	<b>17,615</b>	<b>308</b>	

Manitoba Finance

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2010 with comparative figures for the previous fiscal year (\$000s)

Estimate 2009/2010	Appropriation	Actual 2009/2010	Actual 2008/2009	Increase (Decrease)	Explanation Number
	07- 5 TAXATION, ECONOMIC AND INTERGOVERNMENTAL FISCAL RESEARCH				
	(a) Economic and Federal-Provincial Research				
2,296	Salaries and Employee Benefits	2,176	2,286	(110)	
1,508	Other Expenditures	1,414	1,553	(139)	4
	(b) Manitoba Tax Assistance Office				
485	Salaries and Employee Benefits	372	374	(2)	
142	Other Expenditures	114	96	18	
4,431	Subtotal 07- 5	4,076	4,309	(233)	
	07- 6 INSURANCE AND RISK MANAGEMENT				
427	(a) Salaries and Employee Benefits	427	400	27	
66	(b) Other Expenditures	59	58	1	
2,558	(c) Insurance Premiums	1,497	1,515	(18)	
(2,558)	(d) Less: Recoverable from Other Appropriations	(1,497)	(1,515)	18	
493	Subtotal 07- 6	486	458	28	
	07- 7 TREASURY BOARD SECRETARIAT				
	(a) Treasury Board Secretariat				
6,173	Salaries and Employee Benefits	5,662	5,652	10	
1,042	Other Expenditures	1,387	1,253	134	
	(b) Francophone Affairs Secretariat				
878	Salaries and Employee Benefits	864	677	187	5
579	Other Expenditures	579	605	(26)	
8,672	Subtotal 07- 7	8,492	8,187	305	

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2010 with comparative figures for the previous fiscal year (\$000s)

Estimate 2009/2010	Appropriation	Actual 2009/2010	Actual 2008/2009	Increase (Decrease)	Explanation Number
07-08 COSTS RELATED TO CAPITAL ASSETS					
153	(a) Desktop Services - Enterprise Software Licences	153	153		
2,445	(b) Amortization Expense	2,415	2,415		
968	(c) Interest Expense	965	1,082	(117)	6
3,566	Subtotal 07- 8	3,533	3,650	(117)	
07-09 NET TAX CREDIT PAYMENTS					
264,896	Education Property Tax Credit	266,791	246,356	20,435	
42,000	Personal Tax Credit	40,592	37,956	2,636	
1,810	School Tax Assistance for Tenants and Homeowners (55+)	1,268	1,351	(83)	
975	Political Contribution Tax Credit	257	2,364	(2,107)	
45	Riparian Property Tax Reduction	33	22	11	
1,101	Federal Administration Fee	1,059	993	66	
Less: Recoverable from Education:					
(264,896)	Education Property Tax Credit	(266,791)	(246,356)	(20,435)	
(1,810)	School Tax Assistance for Tenants and Homeowners (55+)	(1,268)	(1,351)	83	
44,121	Subtotal 07- 9	41,941	41,335	606	7

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2010 with comparative figures for the previous fiscal year (\$000s)

Estimate 2009/2010	Appropriation	Actual 2009/2010	Actual 2008/2009	Increase (Decrease)	Explanation Number
	07-10 PUBLIC DEBT				
	(a) Interest on:				
1,084,160	the Public Debt of Manitoba and related expenses	1,093,156	1,148,071	(54,915)	
136,690	departments' capital assets	103,984	95,770	8,214	
25,650	Trust and Special Funds	3,392	41,959	(38,567)	
	(b) Less: Interest and Other Charges to be received from:				
(107,527)	Sinking Fund Investments	(91,805)	(140,826)	49,021	
(531,220)	Manitoba Hydro	(548,584)	(531,172)	(17,412)	
(28,210)	Manitoba Housing and Renewal Corporation	(26,195)	(27,649)	1,454	
(17,053)	Manitoba Agricultural Credit Corporation	(17,221)	(17,472)	251	
(12,154)	Other Government Agencies	(25,359)	(25,289)	(70)	
(94,340)	Other Loans and Investments	(78,034)	(119,790)	41,756	
(205,846)	Other Appropriations	(173,140)	(182,026)	8,886	
250,150	Subtotal 07-10	240,194	241,576	(1,382)	8
342,246	Total Expenditures	328,058	328,514	(456)	

## Manitoba Finance

### Expenditure Variance Explanations

for expenditures for the fiscal year ended March 31, 2010 as compared to figures for the previous fiscal year

---

Explanation Numbers:

1. Decrease is essentially due to non-recurring consulting contract costs associated with managing derivative financial instruments in 2008/2009.
2. Decrease is due to non-recurring office relocation costs incurred during 2008/2009.
3. Increase is essentially due to an increase in the provision for doubtful accounts for taxation receivables.
4. Decrease is due to additional budget preparation and productions costs that were incurred in the 2008/2009 fiscal year.
5. Increase is due to reduced position vacancies and costs associated with the additional French Language Service Facilitators.
6. Decrease is due to declining asset values.
7. Increase in the Education Property Tax Credit and corresponding recovery from Education is essentially due to the increase in the credit to homeowners and renters from \$600 to \$650.
8. Decrease is primarily due to interest rates offset by reduction to capital recoveries.

Manitoba Finance

Revenue Summary by Source

for the fiscal year ended March 31, 2010 with comparative figures for the previous fiscal year (\$000s)

Actual 2008/2009	Actual 2009/2010	Increase (Decrease)	Source	Actual 2009/2010	Estimate 2009/2010	Variance	Expl. No.
TAXATION							
2,455,117	2,401,381	(53,736)	a Individual Income Tax	2,401,381	2,342,700	58,681	1
386,131	257,081	(129,050)	b Corporation Income Tax	257,081	346,600	(89,519)	2
167,816	161,195	(6,621)	c Corporation Capital Tax	161,195	135,000	26,195	3
136,063	139,807	3,744	d Gasoline Tax	139,807	130,000	9,807	4
357,501	364,736	7,235	e Levy for Health and Education	364,736	358,600	6,136	5
3	3	0	f Succession Duty and Gift Tax	3	0	3	
64	64	0	g Mining Claim Lease Tax	64	72	(8)	
45,927	9,924	(36,003)	h Mining Tax	9,924	10,000	(76)	6
92,716	90,158	(2,558)	i Motive Fuel Tax	90,158	90,500	(342)	7
1,569,334	1,569,845	511	j Retail Sales Tax	1,569,845	1,594,700	(24,855)	8
189,633	215,543	25,910	k Tobacco Tax	215,543	194,000	21,543	9
3,483	3,510	27	l Environmental Protection Tax	3,510	3,200	310	
5,403,788	5,213,247	(190,541)	Subtotal	5,213,247	5,205,372	7,875	
OTHER REVENUE							
18,627	26,317	7,690	a Recovery of Prior Years' Expenditures	26,317	4,500	21,817	10
4,049	1,606	(2,443)	b Sundry	1,606	1,656	(50)	11
22,676	27,923	5,247	Subtotal	27,923	6,156	21,767	
GOVERNMENT OF CANADA							
2,063,394	2,063,394	0	a Equalization	2,063,394	2,063,400	(6)	
875,409	897,402	21,993	b Canada Health Transfer (CHT)	897,402	903,300	(5,898)	12
387,531	392,184	4,653	c Canada Social Transfer (CST)	392,184	392,300	(116)	13
14,400	0	(14,400)	d Police Officers Recruitment Fund	0	0	0	14
17,912	0	(17,912)	e Public Transit Capital Trust	0	0	0	15
0	0	0	f Transitional Payment- Corporation Capital Tax Phase-Out	0	9,500	(9,500)	16
2,298	2,322	24	g Government of Canada Subsidy	2,322	2,200	122	
3,360,944	3,355,302	(5,642)	Subtotal	3,355,302	3,370,700	(15,398)	
8,787,408	8,596,472	(190,936)	Total	8,596,472	8,582,228	14,244	





## Revenue Variance Explanations for the fiscal year ended March 31, 2010

---

EXPLANATION NUMBER:

12. **Canada Health Transfer (CHT):** \$21,993 over 2008/2009 Actual  
\$5,898 under 2009/2010 Estimate

Increase from 2008/2009 actual is the result of Manitoba's share of increased federal cash transfers for health under the 2004 First Ministers Meeting on Health.

Decrease from 2009/2010 estimate is due to prior years' adjustments.

13. **Canada Social Transfer (CST):** \$4,653 over 2008/2009 Actual

The CST provides support to provinces and territories for social services, child care programming and post-secondary education. The 2007 federal budget moved the program to an equal per capita cash allocation methodology. The increase from 2008/2009 actual is the result of higher scheduled federal funding in 2009/2010.

8

14. **Police Officers Recruitment Fund:** \$14,400 under 2008/2009 Actual

Decrease is due to one-time funding in 2008/2009.

15. **Public Transit Capital Trust:** \$17,912 under 2008/2009 Actual

Decrease is due to one-time funding in 2008/2009.

16. **Transitional Payment- Corporation Capital Tax Phase-Out:** \$9,500 under 2009/2010 Estimate

Decrease is due to a deferral pending confirmation and approval of the final amounts to be claimed.

Manitoba Finance

**Five-Year Operating Expenditure and Staffing Summary by Main Appropriation**

for the fiscal years ended March 31, 2006 to March 31, 2010 \*

Main Appropriation	2005/2006		2006/2007		2007/2008		2008/2009		2009/2010		
	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	
Finance:											
07- 1	Administration and Finance	29.25	2,643	30.25	2,445	31.25	2,926	36.25	3,625	36.25	3,684
07- 2	Treasury	25.00	1,623	25.00	1,741	25.00	1,822	25.00	1,766	26.00	1,851
07- 3	Comptroller	70.50	4,952	73.50	5,241	77.00	5,368	76.00	5,993	73.00	5,878
07- 4	Taxation	191.50	15,835	193.50	14,642	196.50	17,414	196.50	17,615	195.50	17,923
07- 5	Taxation, Economic and Intergovernmental Fiscal Research	32.25	3,929	33.25	3,822	33.25	4,076	31.25	4,309	33.25	4,076
07- 6	Insurance and Risk Management	5.20	394	5.20	405	5.20	418	5.20	458	5.20	486
07- 7	Treasury Board Secretariat	81.00	6,404	84.00	6,533	84.00	6,915	86.00	8,187	86.00	8,492
07- 8	Costs Related to Capital Assets		4,050		3,881		3,952		3,650		3,533
Total Departmental Operating Appropriations		434.70	39,830	444.70	38,710	452.20	42,891	456.20	45,603	455.20	45,923
07- 9	Net Tax Credit Payments		50,656		47,961		44,397		41,335		41,941
07-10	Public Debt (Statutory)		259,797		260,239		251,033		241,576		240,194
Total Appropriations		434.70	350,283	444.70	346,910	452.20	338,321	456.20	328,514	455.20	328,058

\* Actual expenditures have been adjusted for comparative purposes. Adjustments are for: i) the transfer in 2006/2007 of positions from the Comptroller's Division to Innovation, Energy and Mines due to ICT restructuring; ii) the transfer in 2008/2009 of Federal-Provincial Relations from Entrepreneurship, Training and Trade; iii) the consolidation and transfer in 2009/2010 of classification services to Treasury Board Secretariat from Conservation, Culture, Heritage and Tourism, Education, Family Services and Consumer Affairs, Health; Healthy Living, Youth and Seniors, Infrastructure and Transportation, Local Government, Justice and Water Stewardship; and iv) the transfer of Consumer and Corporate Affairs to Family Services and Consumer Affairs.

# PERFORMANCE REPORTING

The following section provides information on key performance measures for the department for the 2009/2010 reporting year. This is the fourth year in which all Government of Manitoba departments have included a Performance Measurement section, in a standardized format, in their Annual Reports.

Performance indicators in departmental Annual Reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit [www.manitoba.ca/performance](http://www.manitoba.ca/performance).

Your comments on performance measures are valuable to us. You can send comments or questions to [mbperformance@gov.mb.ca](mailto:mbperformance@gov.mb.ca).

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2009/2010 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
Collection rate of statutory taxation revenues (excluding personal and corporate income taxes) owing to the province by comparing revenue amounts collected to amounts owing.	The effectiveness of these activities is directly related to the protection of provincial revenues in the face of technological change in the marketplace and increasingly aggressive tax planning by business and tax professionals.	99.8% of amounts owing to the province were collected in 2005/2006.	99.9% of amounts owing to the province were collected in 2009/2010.	The department strives to continually enhance collection enforcement legislation and processes which should result in the write off percentage remaining relatively consistent at this level over time.	
The province's Financial Management on a summary basis using an unqualified audit opinion that maintains the financial reputation of Province.	Audit are provided by the Auditor General of Manitoba, an arm's length officer of the Legislature, and are considered an important tool in ensuring transparency	2008/2009 Public Accounts -- Unqualified audit opinion	2009/2010 Public Accounts -- Unqualified audit opinion	Too early to identify trends as Manitoba has only reported on a summary basis starting in 2008/2009.	

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2009/2010 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
<p>The province's ability to borrow at a cost-effective rate by examining the credit rating for the province.</p>	<p>This measure is a key independent, third-party assessment of the province's creditworthiness and is an important consideration for investors in Manitoba government bonds and other securities.</p>	<p>Ratings as at March 31, 2002 are:</p> <ul style="list-style-type: none"> <li>• Aa3 (Stable) Moody's Investors Service</li> <li>• AA- (Stable) Standard &amp; Poor's</li> <li>• A (Stable) Dominion Bond Rating Service</li> </ul>	<p>Ratings as at March 31, 2010 are:</p> <ul style="list-style-type: none"> <li>• Aa1 (Stable) Moody's Investors Service</li> <li>• AA (Stable) Standard &amp; Poor's</li> <li>• A (High) (Stable) Dominion Bond Rating Service</li> </ul>	<p>Manitoba continues to maintain its reputation for fiscal responsibility. This performance has been reflected by means of six credit rating improvements since 2002.</p>	<p>Credit rating agencies acknowledge that the current economic environment will impact net debt to GDP ratios of provinces. They say this is not expected to affect credit ratings in the next two to three years. Credit rating agencies acknowledge that the current economic environment will impact net debt to GDP ratios of provinces but the implementation of Manitoba's economic recovery plan is expected to result in credit ratings remaining unchanged for 2010.</p>

## **The Public Interest Disclosure (Whistleblower Protection) Act**

*The Public Interest Disclosure (Whistleblower Protection) Act* came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counselling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in a department's annual report in accordance with Section 18 of the Act.

The following is a summary of disclosures received by Manitoba Finance for fiscal year 2009/2010:

<b>Information Required Annually (per Section 18 of The Act)</b>	<b>Fiscal Year 2009/2010</b>
The number of disclosures received, and the number acted on and not acted on. <i>Subsection 18(2)(a)</i>	<b>NIL</b>
The number of investigations commenced as a result of a disclosure. <i>Subsection 18(2)(b)</i>	<b>NIL</b>
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. <i>Subsection 18(2)(c)</i>	<b>NIL</b>

