

Department of Finance Strategic Plan

2014-2019

Department Vision Statement

A Yukon where public funds are prudently managed so that sufficient financial resources are available to provide Yukon citizens with government programs and services that, at a minimum, meet national standards, while at the same time maintaining a healthy financial position.



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Message from the Minister

It is my pleasure to introduce the Department of Finance's strategic plan for 2014 to 2019. This plan outlines the department's mandate, vision, goals, and activities that support the government's key commitments to:

A Better Quality of Life
The Environment
The Economy
Good Governance



In support of the government's commitment to "A Better Quality of Life", the department is undertaking to:

- maintain the Yukon's extremely favourable general tax environment.

In support of the government's commitment to "The Environment", the department is undertaking to:

- ensure environmental liabilities are accounted for appropriately.

In support of the government's commitment to "The Economy", the department is undertaking to:

- utilize government budgets and policies to stimulate the private sector economy and promote development of balanced budgets for the future.

In support of the government's commitment to "Good Governance" the department is undertaking to:

- ensure Yukon's views and concerns are heard, understood, and addressed at Federal/Provincial/Territorial inter-governmental forums.

Achieving the goals outlined in this plan will support the department's effort to achieve its key priorities.

Sincerely,

Darrell Pasloski
Premier and Minister of Finance
March 2014

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Message from the Deputy Minister

I am pleased to comment on the strategic plan for the Department of Finance. The Department of Finance is a central agency of the Government of Yukon, the mission of which is to manage the public finances of the territory in the best interests of all Yukoners.

We have a broad set of responsibilities and activities covering:

internal financial systems

- bill payments, cash receipts, payroll, cash management, forecasting, budgets, reporting, accounting, and corporate financial management systems;

research

- analysis and advice to Management Board;

policy

- tax, fiscal, accounting policy and investment of public monies; and

financial arrangements

- agreements with other governments, including Canada and self-governing Yukon First Nations.

In developing the Department's plan, careful consideration has been given to the strategic directions of the Government of Yukon. These directions represent the desired fiscal, social and economic outcomes the Government of Yukon is seeking to achieve for the people of Yukon.

This plan identifies priorities requiring action by the Department of Finance to help the Government of Yukon fulfill its overall strategic outcomes. Moreover, this plan provides an overview of the department's direction and identifies the key strategic goals to be accomplished.

As Deputy Minister of Finance, I am responsible for this plan and for ensuring that the Department works towards the full achievement of these goals and objectives.

Sincerely,

David Hrycan, CMA, FCMA
Deputy Minister, Department of Finance
March 2014

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Vision, Mission, Values and Strategic Goals

Where We're Going – Our Vision

A Yukon where public funds are prudently managed so that sufficient financial resources are available to provide Yukon citizens with government programs and services that, at a minimum, meet national standards, while at the same time maintaining a positive financial position.

What We Do – Our Mission

The Department of Finance is the government's professional money manager. The department serves the public as the primary tax collector, investment administrator, chief accountant, as well as providing fiscal relations and budgetary expenditure management.

The Department of Finance's primary responsibilities flow from the *Financial Administration Act* (FAA). In summary, they are to:

- **manage** the government's financial assets and liabilities prudently and professionally in accordance with the FAA and other government financial policies;
- **develop** the government's accounting and budgetary policies, and design, implement, and maintain the corporate financial and budgetary management systems;
- **lead** development of the government's overall fiscal and financial strategies with the objective of securing sufficient government financial resources to fund government program and capital expenditures;
- **negotiate** and administer major financial arrangements with other governments, including the Government of Canada and self-governing Yukon First Nations;
- **develop** the government's tax policies and administer taxation programs; and
- **facilitate** sound fiscal and government wide budgetary planning and decisions by providing prudent and timely financial analysis and advice to Management Board.

How We Will Get There – Our Strategic Goals

Department Goals

- Goal 1.** To maintain a strong, sustainable government financial position.
- Goal 2.** To provide sound fiscal and financial planning, advice, analysis and coordination in support of informed government policy and decision-making.
- Goal 3.** To develop and administer effective financial management frameworks in which departments and corporations can administer their budgets with appropriate independence and accountability.
- Goal 4.** To provide relevant services to our clients both inside and outside the Government of Yukon.

Corporate Goals

- Goal 5.** Attract, develop and engage talented people to continue to provide high quality service to the public.
- Goal 6.** Practise open, accountable and fiscally responsible government.
- Goal 7.** Advance strategic corporate initiatives through interdepartmental cooperation.

What We Believe – Our Values

We manage our departmental responsibilities by:

- providing honest and ethical management of the public's money as the financial trustee;
- valuing integrity, trustworthiness, responsiveness, productivity and reliability in all our activities;
- adhering to professional accounting and financial standards;
- respecting and cooperating with our clients, partners and staff; and
- providing financial leadership while aiming for innovative, straightforward and transparent outcomes.

Department Strategic Context

Although the Department of Finance is involved in many functions, the core activities revolve around available government revenues and the expenditures facilitated by these revenues. The context of the Department of Finance and the source and health of government revenues is multidimensional and operates at both the local and macro levels.

Locally, our government revenues generated within the territory are susceptible to the health and vigor of the Yukon economic sectors such as mining, tourism, and service industries. These components of our economy contribute directly to our corporate and personal incomes taxes and indirectly to many other own-source revenues, including fees and licences.

Based on the February 2014 economic update from the Department of Economic Development, the forecast of real Gross Domestic Product (GDP) growth for Yukon in 2013 will be 1.0 percent followed by a 3.3 percent growth for 2014 (*representing 11 consecutive years of economic growth for Yukon*). The Conference Board of Canada's Centre for the North is somewhat more optimistic with growth rates of 6.3 percent in 2013 and 6.8 percent in 2014 (*Winter 2013 forecasts*). However despite the variation in forecasts, overall gains in GDP are expected to come primarily from activity related to the mining sector, in particular, expenditures related to mining development and higher mineral production. Consistent with these estimates, Yukon's population growth is expected to reach at total of 37,200 in 2014 (*1.4 percent growth from 2013*).

At the macro level, the Yukon does not exist in isolation and is tied to both the national and global economies. Nationally we are inextricably integrated into the overall national economy as well as being formally part of what is referred to as Canadian fiscal federalism. This latter concept links our major revenue sources directly to the fortunes of the nation through our transfer arrangements and agreements with the federal government. These federal transfers include the territorial grant, Canada Health Transfer, Canada Social Transfer, and many other federal-territorial arrangements and agreements that fund many of our most important public services.

Within the national economic environment we share with the federal, provincial, and other territorial governments, the growth in Canadian GDP is expected to be better than anticipated at a rate of 2.0 percent in 2013 and 2.3 percent for 2014. Private sector economists forecast real GDP growth to pick up this year and next, reflecting stronger global demand, especially from the United States. This, together with projected increases in inflation from current low levels, is expected to result in a significant improvement in nominal GDP growth by 2015.

Moreover, Yukon is not immune to its broader context. Global growth remained weak in 2013, largely reflecting a reduction in growth among emerging economies, stemming from tighter financial conditions, while growth in advanced economies showed signs of stabilizing at a relatively modest pace. However, recent economic developments have been more positive, particularly for the U.S., with the International Monetary

Fund (IMF) expecting an increase in global growth this year. The U.S. economic growth has shown signs of stronger underlying momentum. Real GDP growth strengthened to an average of 3.3 percent over the final three quarters of 2013, following an average increase of just 0.6 percent in the preceding two quarters. For 2014, growth in the U.S. is expected to reach 2.7 percent from 1.9 percent in 2013, with quarterly growth gradually rising to 3 percent over the course of 2014, and to further strengthen to 3.1 percent in 2015.

The IMF's spring World Economic Outlook is similarly cautiously optimistic, mostly as a result of the resilience of the U.S., which is poised for its strongest economic growth since before the recession. The IMF forecast the Global GDP to advance 3.6 percent in 2014 compared with a 3-per-cent gain in 2013. This gain would be the strongest annual growth since 2010, when the world economy rebounded from a deep recession in 2009.

Strategic Goals

Department Strategic Goals

Strategic Goal 1 – To maintain a strong, sustainable government financial position.

To accomplish this we will provide the following:

- 1.1** ongoing fiscal arrangements with Canada that appropriately address Yukon's circumstances and enable citizens to receive programs and services that, at a minimum, meet national standards;
- 1.2** tax revenue and resource royalty sharing with Yukon First Nations according to the terms of their land claim settlement agreements;
- 1.3** a fair, competitive territorial tax system; and
- 1.4** prudent management of financial assets and liabilities.

What Could Get In Our Way – Risk Assessment

- Relative and absolute performance of the local and national economies.

How We Are Doing – Indicators

Outputs:

- maintenance of a positive "Net Financial Resources" position;
- maintenance of an accumulated surplus as required by the *Taxpayer Protection Act*. (Yukon); and
- maintenance of a favourable investment grade credit rating.

Outcomes:

- capacity to provide existing or enhanced levels of program and service delivery for Yukon citizens is maintained.

Strategic Goal 2 – To provide sound fiscal and financial planning, advice, analysis and coordination in support of informed government policy and decision-making.

To accomplish this we will provide the following:

- 2.1** services to Management Board that support sound, informed corporate decision-making;
- 2.2** reliable fiscal position forecasting for the Minister of Finance and Management Board;
- 2.3** timely, comprehensive government budget and financial framework planning; and
- 2.4** fiscally and economically sound and consistent government policies, plans, strategies and positions.

What Could Get In Our Way – Risk Assessment

- Quality and availability of source information from external professional agencies, government departments or economic and financial institutions.
- Professional staff availability.

How We Are Doing – Indicators

Outputs:

- government spending decisions reflect government priorities and fiscal policies.

Outcomes:

- government priorities are advanced; and
- the government's positive financial position is responsibly managed.

Strategic Goal 3 – To develop and administer effective financial management frameworks in which departments and corporations can administer their budgets with appropriate independence and accountability.

To accomplish this we will provide the following:

- 3.1** a current, comprehensive policy and legislative framework for financial management and operations;
- 3.2** professional accounting services including accounts payable and receivable, payroll, and cash flow management, facilitated by appropriate reliable financial management systems;
- 3.3** timely and comprehensive budgetary variance reporting; and
- 3.4** timely and accurate reporting of the government's financial position in accordance with *Financial Administration Act* (Yukon) requirements and the Canadian Institute of Chartered Accountants' Public Sector Accounting Standards.

What Could Get In Our Way – Risk Assessment

- Quality and availability of source information from departments, external professional agencies, or economic and financial institutions.
- Professional staff availability.

How We Are Doing – Indicators

Outputs:

- the government's main estimates and supplementary budgets are tabled in a timely fashion and the Public Accounts are tabled by October 31 annually, as required by the *Financial Administration Act* (Yukon); and
- the government's financial obligations (e.g., payroll, accounts payable) are met.

Outcomes:

- government program and service delivery to citizens proceeds expeditiously;
- the public processes by which government is held accountable for its fiscal decisions operate as expected and required; and
- unqualified audited financial statements.

Strategic Goal 4 – To provide relevant services to our clients both inside and outside the Government of Yukon.

To accomplish this we will provide the following:

- 4.1** support for community-level financial operations;
- 4.2** streamlined financial transactions with clients;
- 4.3** support external clients in managing their financial assets and liabilities; and
- 4.4** open, succinct and clear communication.

What Could Get In Our Way – Risk Assessment

- Conflicting needs and demands as well as changing needs and demands over time.

How We Are Doing – Indicators

Outputs:

- more payments issued and received electronically.

Outcomes:

- enhanced service to clients.

Corporate Strategic Goals

Strategic Goal 5 – Attract, develop and engage talented people to continue to provide high quality service to the public.

To accomplish this we will provide the following:

- 5.1** commitment to learning, career planning and development and succession planning;
- 5.2** support flexibility in the work place and work life balance; and
- 5.3** successfully complete performance planning and measurement.

What Could Get In Our Way – Risk Assessment

- Overall staff levels and demand for service will influence the demands on staff.
- Non-department specific corporate human resource policies.

How We Are Doing – Indicators

Outputs:

- high level of satisfaction on the employee engagement survey.

Outcomes:

- employee turnover is reduced.

Strategic Goal 6 – Practise open, accountable and fiscally responsible government.

To accomplish this we will provide the following:

- 6.1** sound fiscal planning in the delivery of services to Yukoners;
- 6.2** timely and straight-forward information to employees, stakeholders and citizens generally; and
- 6.3** support to Cabinet and Cabinet Committees to make timely and well informed decisions.

What Could Get In Our Way – Risk Assessment

- Quality and availability of source information from departments, external professional agencies, government departments, or economic and financial institutions.
- Professional staff availability.

How We Are Doing – Indicators

Outputs:

- public documents (budget, public accounts) provided to the public in a transparent and “reader friendly” form.

Outcomes:

- users of public documents have a better understanding of public government.

Strategic Goal 7 – Advance strategic corporate initiatives through interdepartmental cooperation.

To accomplish this we will provide the following:

- 7.1** enhanced interdepartmental cooperation on matters of mutual interest.

What Could Get In Our Way – Risk Assessment

- Conflicting demands and priorities.
- Resources available and competing demands for these resources.

How We Are Doing – Indicators

Outputs:

- joint projects occurring with other departments.

Outcomes:

- excellent service to the public.