

Report of Special Warrants Issued (June 6, 2022 to October 13, 2022)

Pursuant to Section (78)7 of the *Financial Administration Act*

On June 27, 2022, the Financial Management Board recommended that the Commissioner approve a Special Warrant in the amount of \$60,000,000 for the Department of Municipal and Community Affairs (MACA) to coordinate, assess and provide supports to community governments, Northwest Territories residents and small businesses that incurred damages and losses as a result of severe flooding that occurred in mid-May 2022. The Town of Hay River and the K'atloodeeche First Nation were impacted with varying degrees of severity.

The Commissioner approved the request for the Special Warrant on June 28, 2022, in accordance with section 78(2) of the *Financial Administration Act* (FAA). This item meets the criteria for a Special Warrant as stipulated in section 78(2) of the FAA.

The flooding and resulting damages was an unforeseen event and the provision of flood relief efforts and the mobilization of assistance from the Government of the Northwest Territories (GNWT) was urgently required (section 78(2)(a)). The Legislative Assembly was not scheduled to sit until October 13, 2022, which made the Special Warrant necessary to meet the response requirements of the emergency.

The assistance provided by the GNWT to start damage assessments, repairs and provide support to the impacted communities was in the public interest (section 78(2)(b)).

To ensure the GNWT was able to respond to the needs of Northwest Territories communities impacted by flooding, the provision of supports was urgently required. There was no existing appropriation for these expenditures and MACA could not reallocate existing funding within its appropriation to address the estimated shortfall (section 78(2)(c)).

The scale and impact of the flooding on multiple areas within the NWT was significant and there was no other means available to the GNWT to provide the necessary supports and response to the flood impacted communities (section 78(2)(d)).

A delay in providing supports for the impacts of the flooding would have resulted in further significant monetary losses for residents of the Northwest Territories and

the GNWT, as well as further significant loss and damages to public and private property; contributing to greater personal losses (section 78(2)(e)).

The cumulative 2022-23 budget currently approved for the flood response within MACA is \$70 million, comprised of the \$60 million via Special Warrant and \$10 million in supplementary appropriation approved in May 2022.

As of August 2022, the GNWT, led by MACA, has incurred total expenditures of \$11,509,000 on the flood response and recovery. A total of \$112,374,000 is projected to be spent by March 31, 2023. There remains uncertainty with the spending projections as quotes have not been received for all aspects of work and unanticipated costs may still arise as work progresses. Any funding not spent by the end of the fiscal year will lapse under the conditions of the special warrant. MACA has projected expenditures of \$61,729,000 for the 2023-24 fiscal year.

Excerpts from the relevant sections of section 78 of the FAA are reproduced below for reference.

Excerpts from section 78 – Special Warrants

- (2) The Commissioner may issue a special warrant authorizing an expenditure when the Legislative Assembly is not in session and is not scheduled to resume sitting within two weeks from the date of issue, if the Board reports to the Commissioner that:
 - (a) the requirement for the expenditure was unforeseen and the expenditure is urgently and immediately required;
 - (b) the expenditure is in the public interest;
 - (c) there is no appropriation or an insufficient appropriation to incur the expenditure;
 - (d) there are no other means available to address the circumstances giving rise to the need for the expenditure; and
 - (e) a delay of the expenditure would likely result in
 - (i) significant monetary loss for the Government of the public
 - (ii) significant loss of or damage to public or privacy property, or

(iii) significant personal loss.

- (5) A special warrant issued under this section is deemed to be an appropriation for the Government fiscal year in which the special warrant is issued and expenditures in accordance with the deemed appropriation are authorized.
- (7) The Minister of Finance shall
 - (a) cause a report to be prepared for each sitting of the Legislative Assembly that includes information about each special warrant issued under this section during the period preceding the sitting, including how the requirements of this section were met; and
 - (b) cause the report referred to in paragraph (a) to be laid before the Legislative Assembly at the earliest opportunity.