

Part: **Financial Management and Administration**
 Section: **Treasury Board's Risk Management Policies**
 Subsection: **Other Risk Management Policies**
 Policy: **Compensation for Loss Payments**

Number: **4110**
 Date: **2018-05-31**
 Page: **1 of 3**

Compensation for Loss Payments

- Objective** *The objective is to outline the policy for providing compensation for loss payments.*
- Authority** *The Financial Administration Act, 1993, clause 5(a), subsection 10(2)*
- Applicability** This policy applies to ministries.
- Treasury Board Policy**
- .01 A Treasury Board Order is required for compensation for loss payments not provided for in legislation or in accordance with the policy outlined in .02.
 - .02 Compensation for loss of personal property not otherwise authorized may be approved by the permanent head in conjunction with their legal representative when the following criteria are met:
 - reasonable compensation, not exceeding \$1,000 for one individual;
 - compensation is based on reasonable replacement cost where supported by a receipt or other evidence that goods were replaced;
 - if an employee, reimbursement is provided only where Workers' Compensation Board reimbursement is not applicable;
 - if an employee specifically required the item (of reasonable value) to perform their job, or the ministry specifically required the employee to place personal property at risk due to the nature of the employee's duties; and
 - if in-scope, conditions of employment are met.
 - .03 Safekeeping of personal property is the employee's responsibility. Any items of a personal nature such as purses or radios kept in offices or at a worksite are kept at the employee's risk.
- Provincial Comptroller Directives**
- Evaluating Requests** .04 Determine if there is legislative authority for payment where there is actual or implied responsibility of the ministry.

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 Policy: **Compensation for Loss Payments**

Number: **4110**
 Date: **2018-05-31**
 Page: **2 of 3**

- .05 Consult with the ministry solicitor where responsibility is unclear and obtain a legal opinion where there are substantial claims.
- .06 Ministries analyze each request to ensure it is reasonable and that reasonable care has been taken to protect against the loss.
- .07 Ministries determine whether the loss is covered by insurance. Refer to [Section 4125 Insurance](#) and [Section 4115 Fidelity Bond](#) for more information.
- .08 Where the loss relates to personal property, require individuals to use their own insurance when possible and reasonable. Ministries may pay individuals for their deductible.
- .09 Ministries request the assistance of the Ministry of Justice in cases involving a legal claim against the ministry.
- .10 Ministries are to determine whether the loss is covered by [Workers' Compensation Policy No. POL 11/2016](#), which provides that the Workers' Compensation Board may, in addition to any other compensation, assume the expense of the replacement or repair of broken dentures, eyeglasses, artificial eyes or artificial limbs when breakage is caused by an accident in the course of the worker's employment.
- .11 Ensure the police investigate all cases of suspected theft before making a compensation payment.
- .12 The safekeeping of personal property, including cash, is the responsibility of the individual and losses will be considered for reimbursement only under exceptional circumstances (e.g., hold-up, prison riot).
- Compensation Payment** .13 Prepare a Compensation for Loss Statement if responsibility for payments is specifically covered by legislative authority. The Compensation for Loss Statement, which may be in any form, is retained with the payment documentation and includes at a minimum the following:
- date loss occurred or was discovered;
 - nature of loss, including a list of items;
 - summary of the incident;
 - names of parties and witnesses involved;

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Policy: **Compensation for Loss Payments**

Number: **4110**
Date: **2018-05-31**
Page: **3 of 3**

- amount or value of loss;
 - authority for payment;
 - if there is an insurance claim; and
 - signature of the permanent head or delegate.
- .14 Where a Treasury Board Order is required as per .01, the permanent head requests, in writing, a Treasury Board Order that includes the steps taken to report and recover the loss, the vote and subvote to be charged as well as the information included on the Compensation for Loss Statement.
- .15 The payee signs a waiver of further claim to losses, prior to receiving compensation.

References

- [3112 Petty Cash and Cash Register Float Losses](#)
- [4100 Other Risk Management Policies](#)
- [4105 Reporting Incidents of Fraud or Similar Illegal Acts](#)
- [4115 Fidelity Bond](#)
- [4120 Employee Liability Protection](#)
- [4125 Insurance](#)