

The responsibilities of an appropriation administrator

This document sets out the responsibilities of an appropriation administrator under the Public Finance Act (as amended by the Public Finance Amendment Act 2013).

Definitions

appropriation Administrator:

- in relation to an appropriation made to the Crown, means the department that administers the appropriation on behalf of the appropriation Minister
- in relation to an appropriation made to an Office of Parliament, means that Office of Parliament. *[s.2(1)]*

appropriation Minister:

- in relation to an appropriation made to an Office of Parliament, means the Speaker
- in relation to an appropriation administered by the Office of the Clerk of the House of Representatives or the Parliamentary Service, means the Speaker
- in relation to any other appropriation, means the Minister responsible for that appropriation. *[s.2(1)]*

departmental:

- in relation to expenses, means expenses incurred by a department or an Office of Parliament
- in relation to capital expenditure, means capital expenditure incurred by a department or an Office of Parliament. *[s.2(1)]*

non-departmental:

- in relation to expenses, means expenses incurred on behalf of the Crown, other than by a department or an Office of Parliament
- in relation to capital expenditure, means capital expenditure incurred on behalf of the Crown, other than by a department or an Office of Parliament. *[s.2(1)]*



The responsibilities of an appropriation Administrator

General

- Ensure expenses or capital expenditure incurred against each appropriation administered by the department remain within the amount, scope and period of that appropriation [s.8, s.9, s.10].
- Responsible to the appropriation Minister for what is achieved with departmental expenses and departmental capital expenditure under appropriations administered by the department [s.34(2)(a)] (unless an appropriation is used by another department or by a departmental agency at the direction of the appropriation Minister, in which case the other department or the departmental agency is responsible to the appropriation Minister for what is achieved [s.34(3)]).
- Responsible for advising the appropriation Minister on the efficiency and effectiveness of expenditure from appropriations administered by the department [s.34(2)(b) and s.35(b)].
- Responsible to the department's responsible Minister for the financial management, financial performance and financial sustainability of the department [s.34(1)]. This includes financial management of, and reporting on, departmental appropriations administered by the department [s.45].
- Responsible for the financial management of, and financial reporting on, appropriations for non-departmental expenses and non-departmental capital expenditure administered by the department [s.35(a) and s.45A].

Prior to the start of the financial year

- Prior to preparing the Estimates documentation, the Administrator agrees with the appropriation Minister the following content to be included in the Estimates documentation:
 - the amount and scope of each appropriation [s.14(1)(f) and (g)]
 - a concise explanation of what each appropriation and each category within a multi-category appropriation (MCA) administered by the department is intended to achieve [s.15A(2)(a) and (3)(a)]
 - a concise explanation of how performance against each appropriation and category of an MCA will be assessed [s.15C(1)(a) and (b)].
- Ensures the Estimates and supporting information include all other required information on each appropriation administered by the department, including:
 - who will provide information at the end of the financial year on what has been achieved with the appropriation [s.15C(1)(c)]

- the document in which the end-of-year performance information will be presented to the House [s.15C(1)(d)].

In respect of multi-category appropriations (MCAs)

- Support the appropriation Minister in seeking the Minister of Finance’s approval to the establishment of an MCA [s.7B(a)], including its single overarching purpose, its amount, the scope of each of its categories, and any conditions on the transfer of funding between categories of the MCA.
- Consider what users of categories of an MCA need to be consulted before recommending or deciding a transfer of funding between categories of an MCA.

During financial year

- Where an appropriation Minister has directed, or the department has agreed, that another department is to use an appropriation administered by the department:
 - ensure that the terms of use are documented in a written direction given by the appropriation Minister or in a memorandum of understanding between the two departments
 - monitor the user department’s compliance with the terms of use.
- Negotiate cash disbursement schedules with the Treasury for all appropriations administered by the department (including those to be used by another department)
- Report the amount of expenses or capital expenditure incurred against each appropriation administered by the department to the Treasury as required for the financial statements of the government or for economic and fiscal updates
- Agree with appropriation Minister for each new appropriation to be included in the Supplementary Estimates:
 - the amount and scope of each appropriation [s.14(1)(f) and (g), s.17(1)]
 - a concise explanation of what each appropriation and each category within a multi-category appropriation (MCA) administered by the department is intended to achieve [s.15A(2)(a) and (3)(a), s.17A]
 - a concise explanation of how performance against each appropriation and category of an MCA will be assessed [s.15C(1)(a) and (b), s.17A].
- Ensure the Supplementary Estimates and supporting information include all required information on each appropriation administered by the department, including:
 - who will provide information at the end of the financial year on what has been achieved with the appropriation [s.15C(1)(c), s.17A]
 - the document in which the end-of-year performance information will be presented to the House [s.15C(1)(d), s.17A].

After end of the financial year

- Report the amount of expenses or capital expenditure incurred against each appropriation administered by the department to the Treasury as required for the financial statements of the government.
- Where the Administrator is identified as the department reporting the information at the end of the financial year [s. 15C(1)(c), s. 17A] on what has been achieved, and for each MCA administered by the department [s. 15C(2)(a)]:
 - Prepare end-of-year performance information on what has been achieved with the appropriation and a comparison of actual expenses with appropriated expenses [s. 19A(2), s. 19C]
 - Ensure the end-of-year performance information (other than those exempted from performance reporting or those for which a Minister is the performance reporter) is forwarded to the Auditor-General within 2 months after the end of the financial year [s. 45D(1A)].
 - Provide the end-of-year performance information (other than those exempted from performance reporting or those for which a Minister is the performance reporter) and the audit report to the appropriation Minister(s) not later than 15 working days after receiving the audit report [s. 19A(3)].
- In the statement of responsibility relating to the Administrator's annual report a statement of the responsibility of the department's chief executive for ensuring that end-of-year performance information on each appropriation administered by the department is provided in accordance with sections 19A to 19C, whether or not that information is included in the annual report [s. 45C(1)(c)].
- In the Administrator's annual report include:
 - a statement of the budgeted and actual expenses and capital expenditure incurred against each appropriation (and each category expenses or non-departmental capital expenditure of an MCA) administered by the department and details of the document in which the end-of-year performance information (if required) for each appropriation administered by the department is presented to the House [s. 45A(a) and (b)]
 - a statement of expenses or capital expenditure incurred without, or in excess of, appropriation, together with an explanation of the reasons for the unappropriated expenses and capital expenditure [s. 45A(c)]