

The Treasury

Advice on COVID-19 Response Information Release

December 2021

This document has been proactively released by the Treasury on the Treasury website at:

<https://www.treasury.govt.nz/publications/information-release/advice-on-covid-19-response-information-release>

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [33] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

Treasury Report: Next steps for COVID-19 Response and Recovery Fund (CRRF) tracking and reporting

Date:	22 September 2021	Report No:	T2021/2347
		File Number:	PD-5-7-10

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	<p>Agree the sequence for further CRRF public reporting</p> <p>Agree to set requirements on new funding from the CRRF that enable future reporting</p>	29 September 2021

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Andrew Squires	Senior Advisor, Strategic Performance Improvement	[39]	n/a (mob)
Megan Taylor	Manager, Strategic Performance Improvement		n/a (mob) ✓

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: No

Treasury Report: Next steps for COVID-19 Response and Recovery Fund (CRRF) tracking and reporting

Executive Summary

There continues to be high public interest in CRRF funding allocation and expenditure. In response the Treasury is seeking your agreement to update CRRF expenditure reporting on our website with year-end data and for changes to enable more comprehensive and accessible future CRRF reporting.

Updating CRRF expenditure reporting

We need to update our current CRRF expenditure reporting with data to 30 June 2021. We are seeking your agreement to update this information in October 2021, to align with the publication of agency annual reports.

Developing an accessible and comprehensive list of CRRF initiatives

Documents covering varying levels of information on most CRRF initiatives are publicly available, however no single document covers all initiatives and the information is provided in different formats. Providing one single, comprehensive list would improve the accessibility of the information, and could also be used to link to the reporting of responsible agencies.

While there are options on what information could be reported, we want to first check whether you agree to publishing a comprehensive initiative list. If agreed, we would then work with your office on the scope of the information and timing of release.

Ensuring agencies seeking new CRRF funding set up reporting mechanisms and processes

Reporting expectations at the initiative level need to be established early in the decision-making process. Recently Cabinet agreed that, for any new CRRF funding, agencies are expected to have reporting mechanisms in place [CAB-21-MIN0349 refers]. To reinforce this requirement, we are seeking your agreement to introduce a new recommendation in all Cabinet papers seeking CRRF funding. The recommendation would direct agencies to ensure they can regularly report on expenditure, forecast expenditure and key milestones. If agreed, we will work with agencies on how the information is best built into their reporting frameworks.

Recommended Action

We recommend that you:

Endorse our planned sequence for CRRF initiative and expenditure reporting for 2021

- a **agree** to the publication of a complete list of all CRRF initiatives in an accessible manner.

Agree/disagree.

- b **note** that if recommendation a) is agreed, we will work with your office on the scope of the information to be included for each initiative and the timeframe for publication.

- c **note** we plan to publish year-end COVID-19 appropriation expenditure information in late October 2021, after the release of agency 2020/21 annual reports.

Set requirements on new funding from the CRRF that enable future reporting

- d **note** that Cabinet has agreed that for future CRRF funding agencies should have reporting mechanisms in place [CAB-21-MIN-0349 refers].

- e **agree** that Cabinet papers seeking funding from the CRRF include the following recommendation:

Direct the [Ministry/Department of/for xxx] to ensure that it can separately report on how much of this funding has been spent, forecast expenditure and progress against key milestones; at least quarterly.

Agree/disagree.

- f **note** that if recommendation e) above is agreed, we will work with the agencies on how this reporting requirement can best be built into agency reporting frameworks.

Megan Taylor
Manager, Strategic Performance Improvement

Hon Grant Robertson
Minister of Finance

Treasury Report: Next steps for COVID-19 Response and Recovery Fund (CRRF) tracking and reporting

Purpose of Report

1. This report responds to widespread and ongoing interest in COVID-19 Response and Recovery Fund (CRRF) funding allocation and expenditure, and opportunities to improve transparency and accountability, by seeking agreement to:
 - publishing year-end CRRF expenditure reporting in October 2021
 - publishing an accessible and full list of CRRF decisions, and
 - setting requirements on new CRRF funding that enable future reporting.

Context of ongoing interest in CRRF funding, allocation and expenditure

2. Since the CRRF was established there has been widespread interest in how it has been allocated and what has been spent. In response to this interest, in May 2021 the Treasury started publishing information on CRRF funding allocation and expenditure on a dedicated Treasury webpage¹.
3. While the current Treasury webpage responded to the initial interest (including requests from the Auditor-General), we now need to update existing reporting with new data. There are also opportunities to improve accessibility, transparency and coverage.

Context of CRRF reporting and the accountability of ministers and agencies

4. The public finance system has not been designed for centralised, Budget initiative level reporting on expenditure and performance. This is because accountability for managing, monitoring and reporting rests with responsible Ministers and their agencies. The design of the system means CRRF reporting by the Treasury has been a manual process.
5. The Treasury plans to continue to update the CRRF reporting on our website. We are also looking to improve this reporting in the future while reinforcing the accountability of responsible Ministers and their agencies. In practical terms this means future CRRF reporting should be designed to show where accountability sits and enable stakeholders to find the appropriate accountability documents (Estimates and Annual Reports) and to direct their questions to the right actors.

Planned sequence of CRRF initiative and expenditure reporting

6. We propose that the next sets of CRRF reporting consist of updating existing expenditure reporting with the latest data and developing a more comprehensive and accessible list of CRRF initiatives.

¹ [COVID-19 funding allocation and expenditure \(treasury.govt.nz\)](https://www.treasury.govt.nz/COVID-19/funding-allocation-and-expenditure)

Publishing year-end expenditure information

7. The Treasury's CRRF funding allocation and expenditure webpage contains expenditure reporting information up to 31 March 2021 and this information was always intended to be regularly updated.
8. We propose that COVID-19 expenditure information to 30 June 2021 is released on the Treasury website in late October 2021 to link with agency reporting timeframes. Publishing earlier than October would require the use of unaudited figures, which could mean inconsistencies between CRRF reporting and information contained in agency annual reports.

[33]

9. [33]

10.

11.

12.

13.

Enabling improved CRRF reporting by new requirements on future funding

14. One of the key lessons from the current CRRF reporting is the need to incorporate reporting mechanisms and processes as early as possible. Agencies need to know that they are expected to track and report initiative / programme level expenditure at the time they receive funding.
15. In late August 2021, Cabinet revised the purpose of the CRRF and refined the criteria for accessing it for funding. Cabinet also agreed that new funding is provided with the expectation that reporting processes are in place [CAB-21-MIN-0349 refers].
16. [33]

17. The Treasury would communicate this expectation to agencies when we become aware they are seeking funding from the CRRF. We would then work with agencies on how they would meet this requirement, and how they can factor the information into their reporting frameworks.
18. Many agencies will have specific appropriations for the new funding which makes this reporting relatively easy. For agencies with funding going into existing appropriations, we would work with them to understand how reporting could best work.

Risks

19. There is a risk that the timing and scope of reporting on the CRRF does not meet expectations of the public and other stakeholders and that there is increasing pressure for further reporting. We will mitigate this risk by explaining what the timeframes are and where information is best sourced.
20. There is a risk that information on CRRF allocation is not understood in the context of how the public finance system operates. Currently we are only able to report on where the funding was allocated at the point of decision. In many cases funding has been transferred to different Votes and/or different financial years. However, we consider that with explanation we can manage this risk and by being transparent on how funding was originally allocated. This then allows funding movements to be tracked through the standard reporting mechanisms (Estimates and Annual Reports).
21. There is a risk that agencies do not set-up the expected reporting mechanisms and processes meaning that future reporting is unable to be provided. We will be actively engaging with agencies to ensure that they are aware of their responsibilities and what is expected from them.

Next Steps

22. The table below sets out our planned steps over the coming months.

Date	Action
Early October	Communicate reporting expectations to agencies for any future funding sought from the CRRF.
Late October 2021	Publish COVID-19 appropriation expenditure information as at 30 June 2021 as an open data file.
To be determined	Release a complete and accessible list of CRRF initiatives which is updated on a semi-regular basis.