

Government Sector Finance Act 2018 (GSF Act) Fact Sheet

Accountable Authority: Roles, Responsibilities, Financial Management Policies and Procedures

Wednesday, 16 October 2024

Disclaimer: This is guidance material only and does not replace reading the legislation.

At a glance

- All GSF agencies have an accountable authority, who is generally the head of the agency.
- An accountable authority is responsible for the performance and financial management of the GSF agency.
- An accountable authority is allowed to delegate certain functions under the GSF Act.
- In some cases, an accountable authority may subdelegate functions delegated to them by the Minister.
- The accountable authority must develop and maintain financial management policies and procedures.

Who is an accountable authority?

The *Government Sector Finance Act 2018* (GSF Act) requires that each GSF agency has an accountable authority ([section 2.7\(1\)](#) of the GSF Act).

The GSF Act specifies who the accountable authority for a GSF agency is ([section 2.7\(2\)](#) of the GSF Act). Accountable authorities are expressly named for certain GSF agencies. For other GSF agencies the accountable authority includes for:

- a Department - the Secretary of the Department
- a Public Service agency that is not a department - head of the agency
- an agency that is not a Public Service agency and has a governing body – the governing body
- an agency that is not a Public Service agency and does not have a governing body – the head of the agency.

For example: the accountable authority of the Library Council of New South Wales is the Members of the Library Council of New South Wales.

Persons or other entities may also be specified as being the accountable authority for specified GSF agencies (or kinds of GSF agencies) in [clause 6](#) to the *Government Sector Finance Regulation 2024* (GSF Regulation).

Main roles and responsibilities

An accountable authority's main roles and responsibilities include:

- **Giving notice of a new GSF agency and facilitate auditing** within one month of the agency being established.
- **Developing and maintaining policies and procedures** regarding financial management and compliance with the GSF Act. This includes ensuring that the government officers of the GSF agency are accountable for their actions under the Act.
- **Establishing and maintaining effective risk management procedures** appropriate to the agency.
- **Ensuring the integrity of financial and performance information.**
- **Ensuring that the agency is compliant with the GSF Act.**
- **Ensuring that expenditure for the State or a GSF agency is done in a way that is authorised i.e., under delegation or under the authority of law.**

Responsibility of AA to have financial management policies and procedures

The accountable authority for each GSF agency is required to develop, maintain and make available financial management policies and procedures (section 3.6(1) of the GSF Act).

Accountable authorities must consider specific requirements when determining whether existing policies and procedures for a GSF agency are sufficient.

These requirements include establishing, maintaining and keeping under review:

- The agency's risk management, internal control and assurance processes; and
- Arrangements for protecting the integrity of financial and performance information.

Treasury financial management policies and guidance

Treasury's policies and guidance which have been prepared to assist accountable authorities in fulfilling their obligations under section 3.6 of the GSF Act include:

- TPP20-08 Internal Audit and Risk Management Policy
- TPP17-08 Requirements for issuing, managing and reporting instruments of assurance
- TPP12-03 Risk management toolkit (3 Volumes)
- TPG24-08 CFO Certification on the Internal Control Framework over Financial Systems and Information.

The accountable authority should also consider any Treasurer's directions and regulations issued regarding their obligations to develop, maintain and make available financial policies and procedures for their GSF agency.

Treasurer's directions are published on the NSW Legislation Website and the NSW Treasury website.

Examples of financial management policies and procedures that GSF agencies are required to maintain and adhere are found in **Attachment A**.

Expenditure and Delegations

Expenditure

One of the fundamental obligations of an accountable authority and government officer is to ensure that expenditure is done in a way that is authorised (section 5.5(1) and (2) of the GSF Act).

Expenditure is authorised if:

- In accordance with a delegation or subdelegation from a person with power regarding the expenditure of the money, or
- Under the authority of the GSF Act or any other law. See section 5.5(3) of the GSF Act.

Minister delegation of functions to the accountable authority

Ministers may

- Delegate their functions to an accountable authority. The accountable authority may subdelegate these functions to a government officer or any other entity prescribed by the GSF Act, regulations and subject to any exclusions provided by the delegation instrument exclusion (section 9.9(7) of the GSF Act).
- Give written directions to the accountable authority of the agency concerning the kinds of persons to whom the accountable authority can or cannot delegate these functions.

The accountable authority must review delegations and subdelegations in accordance with any requirements of the regulations or written directions given by the responsible Minister.

For example: a function delegated by the responsible Minister to the accountable authority is the appropriation expenditure function (and this function may be further subdelegated). Expenditure functions are delegable functions (section 9.7 of the GSF Act).

A Minister may also delegate any of their separate GSF agency delegable functions in relation to a separate GSF agency to its accountable authority. A 'separate GSF agency' is defined in section 2.5 of the GSF Act.

Accountable authority delegation of functions to a government officer

Functions directly conferred on an accountable authority by the GSF Act may be delegated to a government officer or any other entity prescribed by the GSF regulations. A delegate may also subdelegate these functions.

Other responsibilities of an accountable authority

Budget preparation, reporting, financial administration and performance information

- Prepare budget and forward estimates as per Treasurer direction requirements
- Prepare and give financial statements to the Auditor-General in the form designated by Australian Accounting Standards, the GSF Act, Treasurer's directions or regulations
- Prepare, present, and make public, the annual reporting information of their GSF agency as per the GSF Act, the regulations of Treasurer's directions, including for former GSF agencies
- Ensure that records are kept regarding the GSF agency's performance information and make that information available, on request, for the Treasurer or responsible Minister

- Ensure that records are kept in respect of the GSF agency's financial arrangements, transactions, cashflows, financial position and financial performance.

Financial arrangements and banking accounts

Accountable authorities may enter into financial arrangements on behalf of the agency if appropriately authorised. They are responsible for maintaining records of their agencies' financial arrangements (section 6.22(8)(b) of the GSF Act).

Accountable authorities have the power to open, close and operate banking accounts (section 6.19 of the GSF Act).

Information sharing

An accountable authority is required to provide *relevant agency information* (see sections 9.2 and 9.3 of the GSF Act) when a request is made by:

- The Treasurer
- The responsible Minister
- A Minister who provides funding (or the responsible Minister for another GSF agency that provides funding)
- A Minister who receives appropriation from which that agency has the authority to make payments out of the Consolidated Fund (or another GSF agency for which that Minister is the responsible Minister).

The accountable authority must comply with the request and may need to produce the information in a particular way.

The power to request information can be delegated by a Minister. For example, the Minister may delegate the power to the Secretary of a Department, so the Secretary would be authorised to request relevant agency information from another accountable authority for a GSF agency.

What an accountable authority cannot do under the GSF Act

An accountable authority:

- cannot do anything on behalf of their agency that would contravene Part 6 Financial Services and Arrangements of the GSF Act if it were done directly by the agency (section 6.1(2) of the GSF Act)
- cannot make a gift of government property unless:
 - the property was acquired for use as a gift,
 - the gift has been authorised by the Treasurer in writing,
 - the gift is made in accordance with Treasurer's directions or
 - the gift was authorised by or under any law (section 5.6 of the GSF Act).

An accountable authority can be liable for loss

An accountable authority is a person handling government resources under the GSF Act to whom the civil recovery provisions apply.

An accountable authority:

- Is liable if they contravene provisions about the gifting of government property as a result of:
 - dishonesty,

- misconduct, or
 - a deliberate or serious disregard of reasonable standards of care (section 9.15 of the GSF Act).
 - Is liable if a loss of government resources or related money has occurred and the person caused or contributed to the loss by:
 - misconduct or
 - a deliberate or serious disregard of reasonable standards of care (section 9.16 of the GSF Act).
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Need more information?

Refer to NSW Treasury website *Government Sector Finance Act 2018* page to find more Fact Sheets.

Email the Financial Management Legislation team at Legislation@treasury.nsw.gov.au

For legal advice, refer to your agency's legal team in the first instance.

Attachment A: Financial management policies and procedures

Topic	Sub-topic
Risk Management	Risk Management Framework
	Managing Risk
	Preventing Fraud
	Insurance Policy
	Investment Risk/Business Cases
	Business Continuity
Internal Audit	Internal Audit Charter
Audit and Risk Committee	Audit and Risk Committee Charter
Integrity of Financial Information	Internal Controls
	Chief Financial Officer Functions
	Fraud and Corruption
	Accounting Policies
	Financial Reporting
Expenditure	Acquisition of Assets, Goods and Services
	Procurement
	Purchasing Cards
	Gifting
	Ex-gratia Payments