

Agency Action List Guide

9 May 2022

Government Sector Finance Act 2018 Agency Action List Guide

Disclaimer: This document is provided as guidance material only and does not represent an exhaustive list of all actions needed for each particular agency, nor does it replace reading the legislation.

Purpose:

This document is designed to provide an overview of the key high-level actions that agencies need to consider when implementing the ongoing requirements of the *Government Sector Finance Act 2018 (GSF Act)* within their financial management and reporting systems.

Further information including factsheets, legislative ‘maps’, short trainer videos, frequently asked questions (FAQs) and useful links are available from Treasury’s website ([click here](#)).

#	Policy stream	Policy intent or decision	Agency Actions
1.	Financial reporting & exemptions <i>GSF Act Divisions 7.1 & 7.2</i>	Financial reporting framework and exempt agencies from financial reporting requirements	<ul style="list-style-type: none"> Financial reports are prepared under the GSF Act <ul style="list-style-type: none"> Refer to Division 7.1 and sections 7.4-7.7 of the GSF Act Exemptions <ul style="list-style-type: none"> Section 7.3(2) of the GSF Act permits certain ‘kinds’ of agencies to be exempted from financial reporting requirements by regulation. Those ‘kinds’ of agencies as specified in clauses 9B – 9G of the GSF Regulation 2018, are exempt from the GSF Act reporting. Refer to FAQs on the GSF Website for more information
2.	Annual reporting <ul style="list-style-type: none"> <i>ARDA and ARSBA</i> <i>GSF Act Division 7.3</i> 	Agency annual reporting framework	<p><u>Reports prepared prior to 30 June 2023 (for FY 2021-22):</u></p> <ul style="list-style-type: none"> ARDA and ARSBA set out annual reporting requirements for entities that meet the definition of ‘Department’ and ‘statutory body’ under those Acts. ‘Departments’ and ‘statutory bodies’ that meet that definition are listed in Schedule 2, Part 1 and Part 2 of the GSF Regulation 2018. Each of those ‘Departments’ are required to prepare annual reports in accordance with the ARDA and each of those ‘statutory bodies’ are required to prepare annual reports in accordance with the ARSBA.

		<ul style="list-style-type: none"> Treasury has developed the <i>Annual Reporting Compliance Checklist</i> to assist agencies meet their annual reporting obligations. Inform legislation@treasury.nsw.gov.au, if a GSF Agency is; <ul style="list-style-type: none"> not listed in Schedule 2, Part 1 and Part 2 of the GSF Regulation 2018 (e.g. new GSF agencies), and does not satisfy the kinds of exemptions specified in clauses 9B – 9G of the GSF Regulation 2018, and/or required to prepare an annual report, Then Treasury can propose to prescribe the new GSF agency to the GSF Regulation 2018, as an agency that is required to prepare annual reports. <p><u>Reports prepared after 1 July 2023 (FY 2022-23 onwards):</u></p> <ul style="list-style-type: none"> The GSF Act annual reporting provisions (Division 7.3) are scheduled to commence on 1 July 2023 (FY 2022-23 onwards, annual reports will then be prepared under the GSF Act).
3. SDA Financial reporting <i>GSF Act Section 7.8</i>	SDA Financial Reporting Framework	Note: Section 7.8 of GSF Act (Financial reports concerning SDA accounts) is scheduled to commence on 1 July 2023
4. Special purpose financial reports <i>GSF Act Division 7.9</i>	Special Purpose Financial Reporting Framework	Note: Section 7.9 of GSF Act (Special Purpose Financial Reports) is scheduled to commence on 1 July 2023.
5. Roles & responsibilities <i>GSF Act Part 3</i>	Compliance with legislative rules and Treasury mandates/policies	<ul style="list-style-type: none"> Agencies to comply with the GSF Act, Treasurer’s Directions and Treasury policies & guidelines. Treasury policies & guidelines can be found in the Treasury Documents Library.
6. Roles & responsibilities: Determining Accountable Authority for a GSF agency when it’s unclear e.g. for a Panel <i>GSF Act Division 2.2 section 2.7(3)</i>	Treasury to draft regulations for the purposes of declaring Accountable Authorities under s2.7(3).	<ul style="list-style-type: none"> Advise Treasury through Legislation@treasury.nsw.gov.au if an Accountability Authority needs to be declared under s2.7(3).
7. Roles & responsibilities: Prescribing government officers <i>GSF Act Division 2.2 section 2.9(1)(e)</i>	Treasury to draft regulations for the purposes of prescribing government officers under s2.9(1)(e).	<ul style="list-style-type: none"> Advise Treasury through Legislation@treasury.nsw.gov.au if agency requests any other person to be prescribed as ‘government officers’ s2.9(1)(e).
8. Roles & responsibilities: Accountable Authorities <i>GSF Act section 3.6(1)(b)(i) effective systems for risk management, internal control and assurance</i>	To provide accountable authorities with instructions and/or guidance on how to comply with the requirement to establish and maintain effective systems for risk management, internal control and assurance.	<ul style="list-style-type: none"> Agencies to comply with all relevant policies, including any updated policies issued. Policies are in the Treasury Documents Library Some relevant policies: <ul style="list-style-type: none"> TPP20-08 <i>Internal Audit and Risk Management Policy</i> TPP12-03 <i>Risk Management toolkit</i>

		<ul style="list-style-type: none"> ○ TPP16-02 <i>Shared arrangements for ARCs</i>
9. Roles & responsibilities: Accountable Authorities <i>GSF Act Section 3.6(1)(b)(ii) arrangements for protecting the integrity of financial and performance information</i>	To provide greater assurance as to the quality of financial information and reporting	<ul style="list-style-type: none"> • Agencies to comply with the relevant Treasury Policy; TPP17-06 <i>Certifying the Effectiveness of Internal Controls Over Financial Information</i>.
10. Roles & responsibilities: Government officers <i>GSF Act Division 3.3 Government officers, section 3.7(1) Integrity</i>	To set out the key minimum requirements necessary to establish and maintain an appropriate system of fraud and corruption control	<ul style="list-style-type: none"> • Agencies to comply with TC18-02 <i>NSW Fraud and Corruption Control Policy</i>.
11. Expenditure <i>GSF Act Division 5.1</i>	Arrangements for expenditure	<ul style="list-style-type: none"> • Section 5.5 of the GSF Act took effect from 1 December 2018 and requires appropriate authorisation for expenditure. • Agencies to ensure that expenditure is appropriately authorised.
12. Gifts of government property <i>GSF Act Division 5.2, section 5.6</i>	Clarity on arrangements for the gifting of government property	<ul style="list-style-type: none"> • Agencies to comply with the requirements set out in section 5.6 and Treasurer's Direction TD21-04 <i>Gifts of government property</i>.
13. Statutory Act of grace payments <i>GSF Act Division 5.2, section 5.7</i>	Clarity on the ability of a Minister to delegate authority.	<ul style="list-style-type: none"> • Agencies to comply with section 5.7 and requirements set out in Treasury Circular TC22-01 <i>Statutory Acts of Grace Treasury Circular</i>. • Also see the <i>Act of Grace Payments fact sheet</i> in the Treasury Document Library.
14. Deemed appropriations of Certain Moneys received by GFS Agencies <i>GSF Act Division 4.2, section 4.7</i>	To provide for automatic appropriations (called deemed appropriations) to be given to the responsible Ministers for GSF agencies for the amounts of certain kinds of money the agencies receive or recover. This is a new legal authority to appropriate money out of the Consolidated Fund.	<ul style="list-style-type: none"> • Agencies to assess the kinds of money to determine the legal authority to retain and spend against the section 4.7 of the GSF Act and the GSF Regulation 2018.
15. Working Accounts in the Special Deposits Account <i>GSF Act Division 4.3, section 4.17, section 4.16 and section 7.8</i>	To reform the way in which working accounts in the Special Deposits Account are established and used.	<ul style="list-style-type: none"> • A GSF agency may, in circumstances permitted by regulations, establish and operate a working account in the Special Deposits Account in respect of working account money received by the agency. • Agencies to ensure appropriate records and other information concerning the operation of a working account are kept. • If an agency requires a new working account or an existing one varied, please contact your Treasury relationship manager in the Policy & Budget Group.
16. Accounts in the Special Deposits Account (other than working accounts) <i>GSF Act Division 4.3, section 4.15 and section 4.16</i>	To enable the Treasurer to require the preparation of financial reports about the management of accounts in the Special Deposits Account.	<ul style="list-style-type: none"> • Monitor legislation to identify any new accounts established in the Special Deposits Account (SDA). • Ensure a responsible manager is appointed for the SDA account and appropriate records are maintained.

17. Statutory Special Purpose Funds <i>GSF Act Division 1.1, section 1.4</i>	To define this type of funds and establish certain requirements regarding them.	<ul style="list-style-type: none"> • Monitor legislation to identify any new statutory special purpose funds. • Ensure appropriate records are created and maintained for the fund.
18. Appropriations <i>GSF Act Division 4.2</i>	To provide a legal basis for agency spending and to create options for variations/additions to appropriations including primarily for: transferring appropriations between GSF agencies affected by a transfer of functions; variations in connection with Commonwealth grants and payments for exigencies of Government.	<ul style="list-style-type: none"> • Agencies to comply with the GSF Act, policies and guidelines on appropriation matters, including budgetary controls.
19. Scope: Notification of GSF agency <i>GSF Act Division 2.2 section 2.8(1)</i>	To inform the Treasurer and Auditor-General of a new GSF agency.	<ul style="list-style-type: none"> • The accountable authority to give written notice to the Treasurer and Auditor-General of the new GSF agency within one month after the entity becomes a GSF agency. • Inform Treasury through Legislation@treasury.nsw.gov.au
20 Scope: Prescribing GSF agencies <i>GSF Act Division 2.2 section 2.4</i>	Treasury to draft regulations for the purposes of including entities within the definition of a GSF agency under s.2.4.	<ul style="list-style-type: none"> • Agencies to advise Treasury through Legislation@treasury.nsw.gov.au if they require an entity to be prescribed under s2.4(1)(l).
21. Delegations: Determining Delegations from Minister(s) and Accountable Authorities (including sub-delegations) <i>GSF Act Division 9.2</i>	Consult with Ministers, AA's etc. to implement any new delegations (as desired)	<ul style="list-style-type: none"> • Agencies to ensure delegations instruments are up to date.
22 Information Sharing <i>GSF Act Division 9.1</i>		<ul style="list-style-type: none"> • Agencies to comply with appropriate requests relevant to information sharing provisions.
23 Tax Equivalent Payments <i>GSF Act Division 5.1 section 5.3</i>	The Treasurer may direct a GSF agency to pay tax equivalents. Policy intent is compliance with competitive neutrality.	<ul style="list-style-type: none"> • Refer to TPP21-04 <i>Tax Equivalent Regime (TER) for Government Businesses</i>, if they are an applicable TER agency under the policy.
24 Financial Distributions to the Treasurer <i>GSF Act Division 5.1 section 5.4</i>	The Treasurer may direct a GSF agency (or part of a GSF agency) to pay financial distributions to the Treasurer.	<ul style="list-style-type: none"> • Refer to TPG21-10 <i>Capital Structure and Financial Distribution policy for Government Businesses</i>. • For queries on the policy, please contact your Treasury relationship manager in the first instance or email: CommercialPolicy@treasury.nsw.gov.au
25 Financial Arrangements <i>GSF Act Division 6.4</i>	All agencies to have relevant financial arrangements approved under the GSF Act, as well as accurate records of them.	<ul style="list-style-type: none"> • If a GSF agency requires a new financial arrangement approval or an existing one varied, it should contact its Treasury relationship manager in the Policy & Budget Group or Commercial Group or email financialarrangements@treasury.nsw.gov.au

		<ul style="list-style-type: none"> • Each GSF agency to ensure it keeps accurate records of its financial arrangement approvals and arrangements. • All approvals for borrowings or derivatives issued under the PAFA Act, or investment powers provided under the PAFA Act have now expired. If an agency still has these types of financial arrangements without a valid financial arrangement approval under the GSF Act, it should email financialarrangements@treasury.nsw.gov.au
26	Government Guarantees GSF Act Division 6.5	<p>The Treasurer may provide a State guarantee in support of the obligations of a GSF agency.</p> <ul style="list-style-type: none"> • For further enquiries, email financialarrangements@treasury.nsw.gov.au
27	Funds Managers GSF Act Division 6.6	<p>The policy intention is for TCorp to be engaged as funds manager for agencies, with agencies able to seek approval to use another funds manager on an exceptions basis.</p> <ul style="list-style-type: none"> • Agencies may use TCorp as funds manager for approved financial arrangements. • To engage a funds manager other than TCorp, agencies should contact their Treasury relationship manager in the Policy and Budget Group or Commercial Group, or contact financialarrangements@treasury.nsw.gov.au
28	Financial services (excluding financial arrangements) GSF Act Division 6.3, sections 6.15, 6.19	<p>1. A GSF agency must efficiently manage its cash resources.</p> <p>2. A GSF agency must use the State financial service providers for contracted banking and financial products and services.</p> <p>3. A GSF agency must hold cash in account structures directed by Treasury unless prior https://www.treasury.nsw.gov.au/budget-financial-management/reform/government-sector-finance-act-2018 approval is obtained to hold cash in an alternative product.</p> <p>4. A GSF agency must provide Treasury with accurate cash forecasts and promptly report on material changes and variances to these forecasts.</p> <ul style="list-style-type: none"> • Agencies to comply with the requirements set out in Treasurer's Direction TD19-01 <i>Financial Services and relevant cash management policies</i>.
29	Performance Information GSF Act section 8.2(1)	<p>The Treasurer may direct agencies to keep certain types of performance information to enable resource allocation decisions to be made by the government.</p> <ul style="list-style-type: none"> • Agencies to comply with the policies and guidelines on outcome budgeting, including TPP 18-09 <i>Policy and Guidelines Paper: Outcome Budgeting</i>.

Acronyms

ARSBA	<i>Annual Reports (Statutory Bodies) Act 1984</i>
ARDA	<i>Annual Reports (Departments) Act 1985</i>
ARC	Audit and Risk Committee
FAQs	Frequently Asked Questions
GSF	Government Sector Finance
GSF Act	<i>Government Sector Finance Act 2018</i>
GSF Regulation 2018	<i>Government Sector Finance Regulation 2018</i>
PAFA Act	<i>Public Authorities (Financial Arrangements) Act 1987</i>
PF&A Act	<i>Public Finance and Audit Act 1983</i>
SDA	Special Deposits Account
SOCs	State Owned Corporations
TD	Treasurer's Direction
TPG	Treasury Policies & Guidelines
TPP	Treasury Policy Paper

