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Lead topic: Government Accounting	Sub-topic: Secretary General Accountability	Contact: Breda Rafter Ext: 5862
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Origins of Accounting Officer Role

- The role of the Accounting Officer has its origins in the Exchequer and Audit Departments Act, 1866. Section 22 of that Act provides for the preparation of Appropriation Accounts by Departments.
- The term “Department”, when used in connection with the duty on Departments of preparing the Appropriation Accounts, was to be “*construed as including any public officer or officers to whom that duty shall be assigned by the [UK] Treasury*”.
- The term “Accounting Officer” does not appear in the 1866 legislation.

Comptroller & Auditor General (Amendment) Act 1993

- The Comptroller & Auditor General (Amendment) Act 1993 defined the term “Accounting Officer” in Irish law for the first time.
- The Accounting Officer is defined in the Act as the “*Officer referred to in Section 22 of the Exchequer and Audit Departments Act, 1866 to whom the duty of preparing the Appropriation Accounts of a Department is assigned...*”. The statutory duties of Accounting Officers in giving evidence to the PAC are set out in Section 19 of the 1993 Act.
- The Act broadened the duties from their earlier focus on regularity and propriety to include economy and efficiency in the use of resources and the systems, practices and procedures used to evaluate effectiveness.

Principles and Conventions governing the Accounting Officer Role

- Apart from the statutory provisions, Accounting Officers operate within established principles and conventions which are derived from the Constitution and from the institutional and financial relationships that have been developed between the Oireachtas and the Executive over time.
- The principles and conventions are set out in the guidance manual “*Public Financial Procedures*” (Blue Book). The reports and recommendations of the PAC are one of the main sources of these principles.

Appointment of Accounting Officers

Accounting Officers can be appointed in two ways:

- a. Secretaries General of Government Departments and Heads of most Offices that have a Vote are appointed under Section 22 of the Exchequer and Audit Departments Act, 1866, which empowers the Minister for Public Expenditure and Reform to appoint an Accounting Officer in respect of any body for which a Vote is included in the Annual Appropriation Act.
 - b. Heads of Offices (i.e. CEO, Garda Commissioner) that have a Vote are appointed to the position of Accounting Officer on foot of primary legislation, i.e. the legislation which established the Office specifies to whom the role of Accounting Officer is assigned, for the Vote of that Office.
- The majority of Accounting Officers are Secretaries General appointed by the Minister for Public Expenditure and Reform under the *Exchequer and Audit Departments Act, 1866*.
 - Accounting Offices appointed under Section 22 of the Exchequer and Audit Departments Act, 1866 receive a Warrant of Appointment signed by the Minister for Public Expenditure and Reform.
 - Upon appointment, each Accounting Officer receives a letter of appointment from Government Accounting Unit, DPER informing them of their appointment along with a pack of relevant documents related to the role of an Accounting Officer for their information and guidance and a link to a soft copy of Public Financial Procedures on the Government Accounting website.

This pack contains the following documents:

1.	The Code of Practice for the Governance of State Bodies, 2016.
2.	Risk Management Guidance for Government Departments and Offices (February 2016)
3.	The Corporate Governance Standard for the Civil Service (November 2015).
4.	Accounting Officer – Quick Reference Guide (December 2014).
5.	Audit Committee Guidance (September 2014).
6.	Internal Audit Standards (November 2012).
7.	The Role and Responsibilities of Accounting Officers – A Memorandum for Accounting Officers (September 2011).
8.	Comptroller and Auditor General (Amendment) Act, 1993.

Role and Responsibilities of Accounting Officer

The roles and responsibilities of Accounting Officers are set out in Section A5 of Public Financial Procedures (PFP) and in *The Role and Responsibilities of Accounting Officers – A Memorandum for Accounting Officers (September 2011)* .

Statutory Responsibilities of Accounting Officers

- **Appropriation Account:** The Accounting Officer is the officer responsible (a) having the Account prepared and presented to the C&AG by 1 April of the year following that to which the account relates and (b) signing the account in relation to the Appropriation Account. The Accounts are accompanied by a statement of internal financial control.

In addition, to the preparation of the Appropriation Accounts the main responsibilities of the Accounting Officers as set out in Public Financial Procedures are as follows:

- **Safeguarding Public Assets:** the safeguarding of public funds and property under his or her control.
- **Regularity and propriety:** the regularity and propriety of all the transactions in each Appropriation Account bearing his or her signature.
- **Financial Implications of Policy:** Ensuring that all relevant financial considerations are taken into account and, where necessary brought to the attention of Ministers where they concern the preparation and implementation of policy proposals relating to expenditure or income for which s/he is Accounting Officer.
- **Economy and Efficiency:** Economy and efficiency of the Department in the use of its resources; this includes ensuring that there are adequate financial management systems in place to support the proper administration of the Department in an economic and efficient way.
- **Accounting Arrangements:** The adequacy of arrangements within the Department/Office to ensure the correctness of all payments under his/her control and the prompt and efficient recovery and bringing to account of all receipts connected with the Vote, or with any fund for which his/her Department is responsible.
- **DPER Sanction:** Ensuring that DPER sanction for expenditure has been obtained and for the maintenance of a central record of both delegated and specific sanctions.
- **Internal Audit:** Responsibilities for internal audit including reviewing the internal audit function to ensure that they are getting the desired quality of assurance on the adequacy, reliability and efficiency of the Department's internal control system.
- **Grants:** to all bodies, including agencies, companies, committees, advisory

groups, charities or individuals, whether directly from the Votes of Government Departments/Offices or through an intermediary body or series of bodies under DPER Circular 13/2014 – *Management of and Accountability for Grants from Exchequer Funds*.

- **Control Framework:** Ensuring that there is a clear framework for control (including financial reporting) and accountability for public funds in bodies operating under the aegis of the Department.
- **Statement on Internal Financial Control:** Accounting Officers are required to include with the Appropriation Account for their Department/Office a statement of their organizations system of internal financial control.

Accounting Officers to give evidence to the PAC

- The Accounting Officer has specific statutory responsibilities under the *Comptroller and Auditor General (Amendment) Act, 1993* to give evidence to the PAC on the issues set out in Paragraph 19 of the *Comptroller and Auditor General (Amendment) Act, 1993* relating to regularity and propriety of transactions recorded in any account subject to audit by the C&AG as well as the economy, efficiency of the Department in the use of its resources and the systems, procedures and practices for evaluating effectiveness (VFM).
- In appearing before the PAC the Accounting Officer may not express an opinion on the merits of a policy. The prohibition on Accounting Officers and Secretaries General from commenting on the merits of policy, when appearing before Oireachtas Committees, maintains the distinction that it is the Minister who is responsible to the Oireachtas for policy matters.
- Procedure exists for sending papers to the C&AG and Department of Public Expenditure and Reform in circumstances where there is a difference of opinion between the Accounting Officer and the Minister in an area for which the Accounting Officer has responsibility.

Secretary General Accountability

- Most Secretaries General are Accounting Officers.
 - Accountable to the Minister for discharge of their duties as head of the Department
 - Chief policy advisor to the Minister. Responsible for offering independent advice to Ministers and Ministers of State on issues relevant to the Department.
- In their Accounting Officer role, which is personal and cannot be delegated, they are responsible for the stewardship of public funds and are required to give evidence on how they discharged this responsibility to the PAC.
- The fact that the duties of Accounting Officer are vested in the most senior official in the organisation, who is personally answerable to the PAC, gives an important focus to managerial accountability for regularity, propriety and value for money in the operations of the Department.

- The role of Accounting Officer is part of an overall control framework which makes a senior official answerable to the PAC (who report to the Dáil) for public funds in accordance with the relevant legislation while at the same time maintaining the authority of the Minister in relation to the Department.
- The Accounting Officer cannot be acquainted with the detail of every transaction in the Department or Office and as such he or she ensures that proper mechanisms are in place to provide appropriate assurance about the regularity, propriety and efficiency of the Department's or Office's operations. These mechanisms are:
 - robust internal control systems
 - sound internal audit and Audit Committee arrangements
 - effective risk management.

Statutory Accountability of Secretaries General:

The Secretary General is accountable to the Minister under Section 6 of the *Public Service Management Act 1997* for the performance of the following functions:

- **Managing the Department:** Implementing Government policies appropriate to the Department, monitoring Government policies that affect the Department, delivering outputs determined with the Minister.
- **Strategy Statement:** Submitting a Strategy Statement to the Minister every 3 years or within 6 months of the appointment of a new Minister, and providing progress reports.
- **Delegation of Functions:** Outlining how specific responsibilities are to be assigned to other officers and assigning responsibilities to ensure that functions are performed by an appropriate Officer.
- **Advice to Minister:** Providing advice to the Minister on any matter, affecting or connected with the responsibilities of the Minister giving rise to material expenditure chargeable to its Appropriation Account.
- **Management of Resources:** Ensuring the resources of the Department are used in a manner that is in accordance with the *Comptroller and Auditor General (Amendment) Act, 1993*, with a view to enabling the matters referred to in Section 19 of that Act to be appropriately addressed by the Department.
- **Cost Effectiveness:** Examining and developing means of improving the provision of cost effective public services.
- **Efficiency:** Making sure arrangements are in place to maximise efficiency in cross departmental matters.
- **HR Issues:** Management of all matters relating to the appointment, performance, discipline and dismissal of staff below the grade of Principal or equivalent (Subject to amendments to the *Civil Service Regulations Act, 1956* and the *Civil Service Commissioners Act 1956*).
- **Functions of the Minister:** Carrying out, on behalf of the Minister, any other function of the Minister.

Secretary Generals Appearance before Oireachtas Committees

- The Secretary General or other officers of the Department may be requested to appear before Oireachtas Committees in respect of the Strategy Statement or other issues relevant to the terms of reference of Select or Joint Committees.
- In appearing before a Committee the Secretary General may not express an opinion on the merits of policy (Section 15 of the *Committees of the Houses of the Oireachtas (Compellability, Privileges and Immunities of Witnesses Act, 1997)*). The prohibition on Accounting Officers and Secretaries General from commenting on the merits of policy, when appearing before Oireachtas Committees maintains the distinction that it is the Minister who is responsible to the Oireachtas for policy matters.

Regularity and Propriety

- The terms used in Section 19 of the C&AG (Amendment) Act, 1993, “regularity” and “propriety” are standards against which expenditure and receipts are judged in order to establish whether they accord with the intentions of the Oireachtas.
- The concept of *regularity* reflects the concern that public money should be used only for those purposes approved by the Dáil.
- The checks for regularity are set out in Section 3 of the 1993 Act: the C&AG must satisfy himself as to whether the amounts expended have been applied by the Department or Office for the purposes for which the appropriation made by the Oireachtas, was intended, and as to whether the transactions recorded in the account conform with the authority under which they purport to have been carried out.
- As to “propriety”, an Auditing Practices Board Practice Note on the Audit of Central Government Financial Statements in the Republic of Ireland, prepared with the support of the Office of the C&AG, defines *propriety* as “concerned with the way in which public business is conducted, including any conventions agreed with Dáil Éireann (and in particular the PAC), and any guidance issued on governance and ethics. Whereas regularity is concerned with compliance with appropriate authorities, propriety goes wider than this and is concerned more with standards of conduct, behaviour and corporate governance. It is concerned with fairness and integrity and would include such matters as the avoidance of personal profit from public business, even-handedness in the appointment of staff, open competition in the award of contracts and the avoidance of waste and extravagance”.