

Briefing for Incoming Minister

MINISTER RESPONSIBLE FOR THE DEPARTMENT OF INTERNAL AFFAIRS

October 2005

THE DEPARTMENT OF INTERNAL AFFAIRS



Te Tari Taiwhenua

CONTENTS

INTRODUCTION	3
ROLE OF THE PORTFOLIO MINISTERS AND THE RESPONSIBLE MINISTER	4
THE DEPARTMENT	6

Introduction

This briefing provides essential background information for the first few weeks in office of a new Responsible Minister for the Department. It describes the role and responsibilities of the Responsible Minister. It also contains information on key vote areas and issues.

The Public Finance Act defines “Responsible Minister” as meaning:

- (a) In relation to a *department*, the Minister or Ministers for the time being responsible for the financial performance of the *department* ...
- (b) In relation to the Crown Entities Act 2004 a Responsible Minister is responsible for the exercise and performance of Ministerial functions, powers and duties in relation to the Crown Entity. Those responsibilities are defined in the Crown Entities Act and the specific legislation relating to the Crown entity.

MINISTERS

The Department of Internal Affairs administers six votes. The Responsible Minister for the Department of Internal Affairs is usually also Minister of Internal Affairs. Ministers to whom the Department has responsibility are:

- Minister Responsible for Ministerial Services
- Minister for the Community and Voluntary Sector
- Minister of Civil Defence
- Minister for Ethnic Affairs (part of Vote Internal Affairs)
- Minister of Internal Affairs
- Minister of Local Government
- Minister for Racing.

In addition, as at September 2005, the Minister of Internal Affairs has delegated specific responsibilities to other Ministers:

- Minister Responsible for the New Zealand Fire Service Commission
- Minister of State Services (in respect of the Commission of Inquiry into Police Conduct).

Role of the Portfolio Ministers and the Responsible Minister

OWNERSHIP INTEREST

There is a difference between ownership interest and purchase interest. The government's purchase interest is to produce the required products and/or services to specifications on time, delivered to the right place, for the least cost, consistent with the need to ensure future supply. The Department's Output Plan agreed with Ministers furthers the purchase interest.

The government's purchase interest is the responsibility of Vote Ministers.

The Responsible Minister will usually also have portfolio responsibility for one or more other votes. Matters relating to purchase interests you may have as a Vote Minister have been covered under your separate Vote briefings.

As Responsible Minister you are responsible for the government's ownership interest in the Department of Internal Affairs. The accountability framework in the public sector extends the role of Responsible Minister beyond financial performance to the ownership interest.

The ownership interest is the strong interest the government has in ensuring that its departments:

- serve its priorities
- abide by collective obligations and standards of management and behaviour
- are capable of meeting future demands reliably and cost effectively.

As Responsible Minister you are the custodian of the government's interest in the Department of Internal Affairs. You will not be involved in the day-to-day management of the Department, but you will be accountable to Parliament for its performance.

Ministerial responsibility covers the four dimensions of the ownership interest:

1. *Strategic alignment.* Strategic thinking and management within and across departments is informed by a common understanding of the government's priorities. This ensures that departments apply their resources effectively to these priorities.
2. *Integrity of the public service and commitment to the public interest.* Departments reinforce important public service values through their behaviour and performance, and through following sound public management practices.

3. *Future capability.* Departments can respond effectively to ongoing and future requirements of government, and to changes in their operating environment.
4. *Long-run cost effectiveness.* Departments operate cost-effectively over time, and cost-effective operation requires that departments produce specified outputs at the lowest price consistent with maintaining long-term viability and ensuring value to the nation.

The Department of Internal Affairs

The Department administers seven portfolios and six votes. Typically Ministers have had different purchase interest arrangements with the Chief Executive of the Department. The Responsible Minister has the task of reconciling those different purchase interests with the government's ownership interest in the Department.

You may wish to discuss and agree with other Ministers holding a purchase interest in the Department matters such as:

- co-ordination of views about the Department's contribution to the government's priorities and the implications for the priorities you agree with the Chief Executive
- co-ordination of policy initiatives and Budget bids across relevant portfolios
- your access to reports they receive from the Department on output delivery and risk
- their access to reports you receive on the Department's performance, governance and capability.

If you are also the Vote Minister of Internal Affairs, then you are automatically the Responsible Minister for the following Crown entities:

- the New Zealand Fire Service Commission (presently delegated to the Minister Responsible for the New Zealand Fire Service Commission)
- the Office of Film and Literature Classification
- the New Zealand Lotteries Commission (the Crown Company Monitoring Unit (CCMAU) monitors the performance of the Lotteries Commission as a crown entity, advises on the appointment process for members and provides related advice.

Your role as a responsible Minister for each of the Crown entities encompasses the same broad ownership concerns as outlined above in respect of the Department.

You are responsible for the Gambling Commission, a quasi-judicial statutory body established under the Gambling Act 2003. Responsibility for the Lottery Grants Board, a statutory body that distributes Lottery funds, has usually been part of Vote Internal Affairs.

If you are the Vote Minister for one or more of the other votes associated with the Department of Internal Affairs, you may be the Responsible Minister for other Crown entities.

Vote	Minister
Vote: Community and Voluntary Sector	Minister for the Community and Voluntary Sector Minister of Finance (in relation to Community Trusts)
Vote: Emergency Management	Minister of Civil Defence
Vote: Internal Affairs	Minister of Internal Affairs Minister for Ethnic Affairs
Vote: Local Government	Minister of Local Government
Vote: Ministerial Services	Minister Responsible for Ministerial Services
Vote: Racing	Minister for Racing

RESPONSIBILITIES AS RESPONSIBLE MINISTER FOR THE DEPARTMENT OF INTERNAL AFFAIRS UNDER THE PUBLIC FINANCE ACT 1989

Responsibilities include:

- specifying the date by which the Department should forward a report to you containing the forecast financial statement for the Department (this is known as the “Statement of Intent” or “SOI”)
- agreeing to the financial performance forecast for the financial year
- explaining to the House any expenditure or expenses or liabilities incurred by the Department in excess of or without appropriation by Parliament
- tabling in the House the annual report of the Department, including the audit opinion, within six sitting days after the annual financial statements are returned by the Audit Office to the Department; see also State Sector Act 1989
- where the annual report of the Department has not been laid before the House within three weeks after the return of the annual financial statements by the Audit Office to the Department, being responsible for:
 - a) causing the annual report to be published not later than three weeks after the annual financial statements are returned by the Audit Office to the Department
 - b) arranging for the publication in the *New Zealand Gazette* of a notice that the annual report has been published.

In addition, the Public Finance Act 1989 specifies that the Minister of Finance is required to consult, or agree, with you on certain matters, for example, allowing a department to retain its operating surplus, or making some directions with regard to departmental bank accounts.

RESPONSIBILITIES UNDER THE CROWN ENTITIES ACT 2004 AS A RESPONSIBLE MINISTER FOR A CROWN ENTITY

The Responsible Minister for a Crown entity is accountable for the performance of a Crown entity and the Crown's ownership interest in the entity. Your specific responsibilities under the Crown Entities Act 2004 include:

- the appointment and removal of members of the entity
- the determination of remuneration of members if applicable
- the issuing of formal directions to the entity where applicable
- to review the operations and performance of the Crown entity at any time
- to request any information from the Crown entity whether for a review of otherwise
- to participate in the process of setting and monitoring the entity's strategic direction and targets (primarily the Statement of Intent)
- other matters established in legislation specific to a Crown entity.

RESPONSIBILITIES UNDER THE STATE SECTOR ACT 1988 AS RESPONSIBLE MINISTER FOR THE DEPARTMENT OF INTERNAL AFFAIRS

Your responsibilities under the State Sector Act are:

- receiving the annual report of the Department
- tabling in the House of Representatives the annual report of the Department; see also Public Finance Act 1989.

The State Services Commissioner is responsible for reviewing the performance of the Chief Executive.

The State Services Commissioner is also required to consult you with regard to appointing one or more people to serve on the appointment panel for a vacancy in the position of Chief Executive of the Department.

Note that the State Sector Act does not use the term "Responsible Minister". Instead, it refers to the "Appropriate Minister", and defines that to mean "the Minister responsible for the Department".

THE RELATIONSHIP WITH THE SECRETARY FOR INTERNAL AFFAIRS

The Secretary for Internal Affairs is the Chief Executive of the Department of Internal Affairs.

The Chief Executive is always available to you.

The Secretary's formal responsibilities to you under the State Sector and Public Finance Acts are outlined below.

Under the State Sector Act 1988 the Secretary is responsible to you for:

- carrying out the functions and duties of the department (including those imposed by statute or by the policies of the government)
- tendering advice to you as Appropriate Minister, and to other Ministers of the Crown
- general conduct of the department
- efficient, effective, economical management of the activities of the department.

However, that Act also provides that:

- in matters relating to decisions on individual employees (which includes appointment, promotion, transfer, disciplining, or the cessation of the employment of an employee, or other matters) the Chief Executive of a department shall not be responsible to the Appropriate Minister but shall act independently.

Under the Public Finance Act 1989, the Chief Executive of the department is responsible to you for:

- the financial management and financial performance of the department, and complying with any lawful financial actions required by you
- compliance with the financial reporting requirements of the Public Finance Act 1989 or any other Act.

The Statement of Intent addresses matters for priority attention by the Chief Executive, as well as matters of enduring interest to the government as owner of the department. The Output Plan specifies how often the Chief Executive will report on progress to the Minister.

In addition to formal reports against the Output Plan, you can expect regular oral and written briefings from the Secretary on matters relating to your responsibilities.

THE RELATIONSHIP WITH CENTRAL AGENCIES

The three central agencies (the Department of Prime Minister and Cabinet, the State Services Commission and the Treasury) form a type of corporate office for government, in support of its collective interest in an effective, efficient and well-managed public service.

The agencies are responsible for the key integrating systems in government:

- the Department of Prime Minister and Cabinet manages the government's system for strategic management and policy co-ordination
- the State Services Commission manages the chief executive employment and departmental performance assessment systems
- the Treasury manages the Budget and departmental financial management systems.

As Responsible Minister, you will receive regular advice from the State Services Commission on its reading of the Department's management of the ownership interest. You will also have dealings with the other two agencies as issues arise in the strategy and budget cycle, or as a consequence of their policy co-ordination and financial management assurance responsibilities.

The Secretary and other senior managers actively manage the Department's relationship with the central agencies to ensure that the Department makes an effective contribution to the government's collective interest on your behalf.

THE RELATIONSHIP WITH PARLIAMENT

The key events in your relationship as Responsible Minister with Parliament arise through:

- the presentation of the Statement of Intent as part of the government's budget documentation at the start of each financial year
- the Annual Report at the conclusion of the financial year. The Annual Report is audited by Audit New Zealand, acting for the Controller and Auditor-General, and is considered by the Government Administration Select Committee as part of the financial review process.

The Department prepares both reports and provides support for your appearance before the select committee. The Department also actively manages its relationship with Audit New Zealand and comments on the audit management letter, which it copies to you at the conclusion of the annual audit.

VOTE ISSUES

The Department has prepared briefings for all Vote areas associated with the Department of Internal Affairs. Each includes:

- sector overview
- strategic and legislative framework
- Minister's role
- Department's role
- key issues and themes
- Crown entities and statutory bodies
- key stakeholders.

These documents are attached. As Responsible Minister you will need to be aware of the key issues and themes in each Vote area. The Department will provide you with briefings and the support of officials as requested in your discussions with other Ministers and central agencies about the Department of Internal Affairs.