

Appendix 2:

Glossary

Accountable Officer's Trust Account

Established under section 7(1) of the *Financial Management Act* to enable agencies to hold money in trust for another person or entity. Transactions in these accounts are excluded from the Public Account.

Accounts payable

Refers to the value of short and long-term trade debt and accounts payable, interest payable and prepayments received.

Accounts receivable

Refers to the value of short and long-term trade credit and accounts receivable, interest receivable and prepayments made.

Accrual accounting

The accounting basis where assets, liabilities, equity, income and expenses are recognised in the reporting periods to which they relate, regardless of when cash is received or paid.

Administrative stream

One of the Northern Territory Public Sector employee classification streams. Occupations in this stream include assistant directors, managers, analysts and officers.

Advances

Amounts paid or received for policy purposes rather than for liquidity management purposes.

Agency

A unit of government administration, office or statutory corporation, nominated in an Administrative Arrangements Order for the purposes of the *Financial Management Act* and includes a part or division of an agency.

Appropriation

An authority given by the Legislative Assembly to make payments, now or at some future time, for the purposes stated, up to the limit of the amount in the particular Act.

Appropriation Act

Includes a *Supply Act* and an annual *Appropriation Act* or an additional *Appropriation Act* which authorises an amount to be allocated to a purpose.

Australian Accounting Standards

Statements of accounting standards which can be applied in the preparation and presentation of financial statements.

Australian Bureau of Statistics

Australia's official national statistical agency, providing statistics on economic and social matters covering government, business and population.

Capital appropriation

Represents an increase in the Government's investment in an agency for asset purchases and capital works projects and is provided to agencies by the Central Holding Authority for capital items.

Central Holding Authority

Created by section 5 of the *Financial Management Act*, the Central Holding Authority is a representation of the revenue, expenses, assets and liabilities of the Territory. Credited to this account is all money received by or on behalf of the Territory or an agency, except that required or permitted by or under that or any other Act to be credited to an Operating Account or to an Accountable Officer's Trust Account.

Commonwealth appropriation

A new form of appropriation that commenced in 2008-09 as a result of the Intergovernmental Agreement on Federal Financial Relations agreed by COAG in late 2008 and effective from 1 January 2009. The new arrangements result in Specific Purpose Payments and National Partnership payments from the Commonwealth being received by Treasury, on behalf of the Central Holding Authority. To pass these on to relevant agencies, a new form of appropriation was required and the *Financial Management Act* was amended accordingly in June 2009.

Commonwealth Grants Commission

The body that advises on per capita relativities for distributing, among the states and territories, a pool of revenue from the Commonwealth.

Community service obligation

A CSO arises when the Government requires a government business division or government owned corporation to carry out activities that it would not choose to do on a commercial basis, or would only do at higher commercial prices. CSO payments allow the Government to achieve identifiable community or social objectives that would not be achieved if left to commercial considerations.

Competencies

The skills, attributes and behaviours, specified for each employment level, that an employee needs in order to complete work to a high standard.

Contingent liability

A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate governance

Provides a structured framework through which Treasury is directed and controlled and guides how decisions are made, risks are managed and the organisation's future is planned. These decisions in turn guide the necessary planning, budgeting and management of performance, and support Treasury's SMG in its leadership of Treasury.

Council of Australian Governments

The peak intergovernmental forum represented by the Prime Minister, Premiers, Chief Ministers, Treasurers and President of the Australian Local Government Association.

Employee assistance program

Employer-provided counselling service aimed at assisting employees and their immediate family members experiencing work-related or personal problems. Government agencies are required to provide EAP services as identified in clause 18 of the NTPS 2008-10 UCA.

Executive stream

The executive stream comprises NTPS employees at the level of Director and above.

Expense

A cost or outflow of resources from an organisation.

Full-time equivalent

Used in reference to staffing numbers where one FTE reflects one employee working full-time hours of 36.75 hours per week. Employees working part-time or casual hours are represented as a fraction of this. For example, part-time hours of 29.70 hours a week equates to 0.8 FTE.

Goods and services tax revenue

On 1 July 2000, the Commonwealth introduced the GST. Payments from the Commonwealth return the GST revenue to the states and territories, replacing the previous general purpose grants.

Guarantee

An undertaking to answer for the debt or obligations of another person or entity.

Indemnity

A written undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.

Intergovernmental Agreement

An agreement signed by all states and the Commonwealth in December 2008 defining the framework for federal financial relations, encompassing Commonwealth funding to states through general revenue assistance, Specific Purpose Payments and National Partnership payments.

International Financial Reporting Standards

The term used to describe the move to standardise global international accounting standards. Australian equivalents of these new standards were adopted for reporting periods since 1 January 2005.

National Partnership Agreement

An agreement defining the objectives, outputs and performance benchmarks related to the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.

OCPE

Office of the Commissioner for Public Employment, the statutory employer of all Northern Territory public sector staff, which is responsible for promoting the development and observance of the highest possible standards of human resource management practices in agencies.

Outcomes

Outcomes are expressions of the intended results, impacts or consequences on the Territory community of outputs provided by agencies. Outcomes represent the objectives that the Government is seeking to achieve.

Outputs

Outputs are the services provided or the goods produced by an agency for users external to the agency. The Government purchases outputs in order to achieve policy objectives or outcomes.

Output appropriation

Provided to fund the delivery of outputs and determined at the whole of agency level. Output appropriation provides the Government's funding for agency operations after taking into account funding from agency revenue. Although output appropriation is based on accrual costs, it does not encompass non-cash accrual costs, such as depreciation. This will result in deficits generally being reported by agencies.

Output groups

Output groups aggregate similar or related agency outputs and are applied primarily for reporting purposes.

Performance Development Framework

Treasury's performance management system, where staff performance is reviewed and discussed between manager and staff member on a six-monthly basis against established competencies, and targets are set for the coming six months.

Provisions

Amounts set aside by entities from current revenue or income for future payments.

Revenue

An inflow of resources into an organisation related to its operations.

Risk assessment

Determining the nature and level of business risk to the organisation and business units.

Risk management

The steps taken to manage risks, including identifying (both actual and potential), assessing, eliminating or controlling risks.

Specific Purpose Payments

Specific purpose payments (SPPs) are tied grants received from the Commonwealth, which are earmarked for specific purposes.

Uniform Presentation Framework

A uniform reporting framework agreed by the Australian Loan Council in 2000, a revision of the agreement reached at the 1991 Premiers' Conference. The UPF was further updated and reissued in April 2008 to incorporate the new accounting standards AASB 1049 Whole of Government and General Government Sector Financial Reporting. The UPF specifies that the Commonwealth, state and territory governments will present a minimum set of budget and financial outcome information on the Government Finance Statistics basis, according to an agreed format and specified Loan Council reporting arrangements.