

5.8 Financial Administration Guide

Cost Capture Overview

- 5.8.1 Optimising reimbursement following an emergency situation relies on all agencies keeping records of expenditure that readily show eligibility.
- 5.8.2 Separate financial records are maintained for 'emergency' expenditure not only for the purpose of subsequent audit certification but also for later analysis. This is equally important in non-declared situations as current agreements with Department of Treasury and Finance require auditable accounts if the State is to financially assist agencies that respond to a considerable, but non-declared, emergency event.
- 5.8.3 To separate financial records, it is recommended that cost centres are kept available for this purpose, and job codes that are likely to be used to capture and differentiate expenditure types during operations are identified. Note that the Department of Treasury and Finance is likely to seek copies of records so that reimbursement of extraordinary financial expenditure can be authorised under the Tasmanian Relief and Recovery Arrangements.
- 5.8.4 Additionally all expenditure is to be categorised for reporting purposes, as Category A, B or C.

Expenditure Categories

- 5.8.5 Category A is emergency expenditure that is given to individuals and families to ease personal hardship or distress arising as a direct result of an emergency caused by a natural disaster. These costs will be incurred in the immediate aftermath of the emergency and will not continue for a long period. This expenditure includes:
 - a. emergency food, clothing or temporary accommodation
 - b. repair or replacement of essential household items and personal effects
 - c. essential repairs to housing, including temporary repairs and repairs to restore housing to a liveable condition
 - d. destruction or rebuilding to restore housing to a liveable condition
 - e. removal of rubbish from houses to make them safe and liveable
 - f. personal and financial counselling to ease personal hardship and distress arising because of the emergency, as well as the
 - g. costs of providing this assistance (eg evacuation and operation of evacuation centres and recovery centres).
- 5.8.6 Category B costs include restoration of essential public assets and other acts of relief or restoration, such as the extra ordinary costs of response operations during the emergency. An essential public asset is one that is identified as being essential to the ongoing viability of the community (they may be managed by Government, Government owned or private organisations).
- 5.8.7 Costs covering staff salaries, wages and associated expenditure, (such as overtime and on-costs) are to be captured where agency or council staff are redeployed from usual duties for the purposes of supporting response or recovery activities. Such costs can be recorded under both Category A and Category B where, had it not been for the emergency event, they would not have been incurred.

- 5.8.8 All reported expenditure should be supported by substantiating documentation including the following as appropriate:
- a. invoices
 - b. employee timesheets
 - c. confirmation of pay rates
 - d. internal plant charge rate schedule
 - e. details of any insurance recovery or reimbursement
 - f. asset register
 - g. general ledger printouts for the natural disaster.

Tasmanian Relief and Recovery Arrangements

The following information is summarised from the Tasmanian Relief and Recovery Arrangements.

Financial Support to Affected Individuals

- 5.8.9 The Department of Health and Human Services has a range of expenditure-related responsibilities to emergency affected people under the Tasmanian Emergency Management Plan (and reflected in the DHHS Emergency Management Protocols) including administration of the State Government's Personal Hardship and Distress Arrangements when the Tasmanian Relief and Recovery Arrangements are activated.
- 5.8.10 Personal Hardship and Distress Arrangements include Emergency Grants and Recovery and Restoration Grants for individuals and families less able to provide for their own recovery.

Financial Support to Local Government

- 5.8.11 Where an emergency event has a significant impact on a local council, the response Management Authority or other appropriate authority will make recommendations to the Premier regarding activation of the Local Government Relief and Recovery package. In making recommendations the following factors are considered, but not limited to:
- a. financial impact on local government
 - b. impact on council owned infrastructure and assets
 - c. disruption to council activities and programs
 - d. impact on local community.
- 5.8.12 Following activation, assistance is available once a council's expenditure on eligible relief and recovery measures exceeds its first threshold. More assistance is available if the council's second threshold is passed.
- 5.8.13 The thresholds are calculated in the same way as under the NDRRA. A council's first expenditure threshold is 0.225% of its total general rates revenue and general purpose grants receipts two financial years prior and its second threshold is 1.75 times that amount. A council will be reimbursed 50% of its eligible expenditure between the first and second thresholds and 75% of expenditure on eligible expenditure above the second threshold.

Community Recovery Funds

- 5.8.14 Where a community is severely affected, the State and Commonwealth Governments may activate Community Recovery modules to provide financial assistance to small businesses, primary producers, not-for-profit organisations. A community recovery fund may also be established to support recovery initiatives. In general, such measures will be jointly activated and announced by the Premier and Prime Minister.
- 5.8.15 Where a community has been severely affected by an emergency, the response Management Authority or other appropriate authority will make recommendations to the Premier regarding appropriateness of activation of the community recovery arrangements, based on damage assessments conducted.
- 5.8.16 Under these arrangements clean-up and assistance grants are administered by the Department of Primary Industries and Water (primary producers), Department of Economic Development and Tourism (small business and not-for-profit organisations), and the Department of Treasury and Finance (Community Recovery Funds).