



Australian Government

Office of the AASB

Chief Executive's Instructions

March 2011

Table of Contents

Issue of Chief Executive’s Instructions	1
Introduction	2
CEI 1: Collection and Custody of Public Money	4
1.1 Receiving Public Money	4
1.2 Official Bank Accounts	5
1.3 Official cash advances for the payment of operating expenses (including petty cash)	6
1.4 Loss and Recovery of Public Money	7
1.5 Recovery of Debts and Debt Write-Off	8
1.6 Repayment of Amounts Owing and Debts by Instalment or Deferment	9
1.7 Waiver of Debts	10
CEI 2: Drawing Rights and Estimates	11
2.1 Drawing Rights	11
2.2 Estimates	12
CEI 3: Investment and Borrowing.....	13
3.1 Investments.....	13
3.2 Borrowing.....	14
CEI 4: Control and Management of Public Property	15
4.1 Custody and Use of Public Property.....	15
4.2 Loss of Public Property.....	16
4.3 Disposal of Public Property	16
4.4 Gifting of Public Property	17
4.5 Receiving Gifts.....	19
4.6 Property and Money Found on Commonwealth Premises.....	19
CEI 5: Spending Public Money.....	19
5.1 Approving proposals to spend public money	21
5.2 Payment of Accounts	22
5.3 Procurement	23
5.4 Entering and Managing Contracts and Agreements.....	24
5.5 Official Travel	24
5.6 Official Hospitality	25
CEI 6: Miscellaneous	24
6.1 Credit Cards.....	26
6.2 Cabcharge vouchers.....	27
6.3 Act of Grace Payments	27
6.4 Compensation for Detriment Caused by Defective Administration.....	28
6.5 Payments pending Probate.....	29
CEI 7: Special Responsibilities of Chief Executives.....	28
7.1 Fraud Prevention and Control.....	30

7.2	Audit Committee	31
7.3	Accounting Records and Financial Statements	31
7.4	Risk Management.....	32
7.5	Insurance.....	32
7.6	Claims against the Commonwealth	33
7.7	Media Advertising.....	34
7.8	Security	36
CEI 8:	Compliance Monitoring and Reporting.....	34
8.1	Compliance with the AASB financial framework.....	37
8.2	Reporting financial management compliance breaches.....	37
CEI 9:	Contingent Liabilities.....	35
9.1	Warranties, guarantees and letters of comfort	39
9.2	Indemnities.....	39
	FMA Act 1997	37
	OFFICE OF THE AASB CEIs.....	37
	FMA Regulations.....	42
	OFFICE OF THE AASB CEIs.....	42
	FMA Orders	45
	OFFICE OF THE AASB CEIs.....	45



Australian Government

Office of the AASB

Issue of Chief Executive's Instructions

I, Kevin Michael Stevenson, Chairman of the Office of the Australian Accounting Standards Board, give to officials in my Agency the following instructions pursuant to Regulation 6 of the Financial Management and Accountability Regulations and section 52 of the *Financial Management and Accountability Act 1997*.

Dated this 11th day of March 2011.

A handwritten signature in black ink that reads "K.M. Stevenson".

Kevin Michael Stevenson

Chairman

Introduction

The Australian Accounting Standards Board (AASB) and the Office of the AASB are Prescribed Agencies under the *Financial Management and Accountability Act 1997* (FMA Act) and are governed by the FMA Act and subsidiary legislation (FMA Regulations 1997). The FMA legislation focuses on the fundamental principles, and core concepts, procedures and policies underpinning public sector financial management.

These Chief Executive's Instructions (CEIs) are issued by the Chairman of the AASB as Chief Executive of the Office of the AASB, in accordance with the legislation covering the Commonwealth's financial framework (the FMA legislation). The Chairman of the Board is a Chief Executive under the FMA Act. For the purposes of these CEIs, when referring to the Chairman of the Board, the term Chairman will be used rather than Chief Executive.

Under the FMA legislative arrangements, responsibility for procedural detail has been devolved to agencies to develop internal procedures and for the AASB this takes the form of CEIs and associated guidelines. The procedural guidelines are not intended to be prescriptive but provide a broad framework within which AASB officials are expected to operate.

The CEIs are the primary source of information and advice on the internal financial management practices of the Office of the AASB. Other internal policies and procedures that may be issued must be consistent with the CEIs. Managers and officials responsible for any departmental financial matters, in particular, must be aware of the CEIs and how they are relevant to the daily financial operations of the Department.

Any cases of non-compliance with the CEIs and/or FMA legislation must be reported in accordance with the instructions contained in these CEIs. Non-compliance with the CEIs and the FMA legislation may carry penalties ranging from disciplinary procedures to imprisonment.

The Chairman is required to report annually (by 15 October) to the Finance Minister and the Treasurer all instances of known non-compliance with the Commonwealth's financial management framework. An overview of the financial management framework is provided in Figure 1.

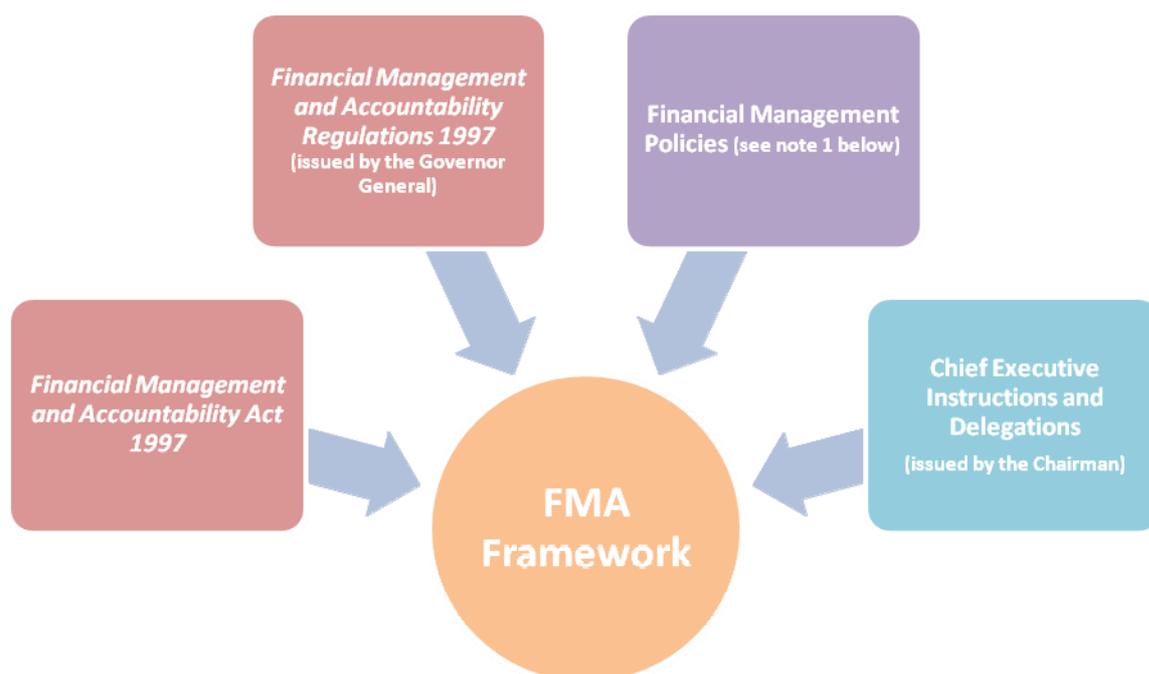


Figure 1: Financial Management Framework

Note 1

Financial management policies that are mandatory, as outlined in *Finance Circular 2009/06* are:

1. Foreign exchange risk management requirements.
2. The management of Special Accounts.
3. *Australian Government Competitive Neutrality Guidelines for Managers.*
4. *Australian Government Cost Recovery Guidelines.*
5. *Guidelines for Issuing and Managing Indemnities, Warranties, Guarantees and Letters of Comfort.*
6. *The Australian Government Property Ownership Framework.*
7. Capital budgeting requirements as outlined in Estimates Memorandum 2008/41
8. Part 1 of the *Commonwealth Grant Guidelines.*

The list of policies above may be amended from time-to-time by the Department of Finance and Deregulation.

CEI 1: Collection and Custody of Public Money

Overview

Any money in the Commonwealth's possession or control (or in the control of someone acting on behalf of the Commonwealth) is considered public money. Public money is defined in the FMA Act as meaning:

- money in the custody or under the control of the Commonwealth, or
- money in the custody or under the control of any person acting for or on behalf of the Commonwealth in respect of the custody or control of the money

including such money that is held on trust for, or otherwise for the benefit of, a person other than the Commonwealth.

The instructions in this section cover:

- 1.1 *Receiving public money, including its safe custody and recording of details*
- 1.2 *Official bank accounts*
- 1.3 *Official cash advances for the payment of operating expenses (including petty cash)*
- 1.4 *Loss and recovery of public money*
- 1.5 *Recovery of debts*
- 1.6 *Repayment of amounts owing by instalment or deferral*
- 1.7 *Waiver of debts*

1.1 Receiving Public Money

Instructions

1. As soon as possible after receipt, all public money must be passed to an official who is appointed by the Chairman as a Collector of Public Money (CPM).
2. A CPM must secure money in a safe or equivalent receptacle, with strict controls over keys and combinations to safes.
3. A CPM must record the receipt of public money on the Office of the AASBs Financial Management Information System.
4. Details of money received by mail must be entered into the Mail book. Cheques and money orders must be crossed and marked 'Not negotiable' on receipt (if not already so marked).
5. A CPM must bank the money in an official bank account as soon as practicable, but in any case not later than the next banking day, unless the total amount received on a daily basis is less than \$1,000 in which case it must be banked within 5 working days.
6. An official must not deposit public money in any account other than an official account.
7. An official who receives public money in a non-bankable currency must ensure the protective custody of that money.
8. Where an outside person or body corporate is appointed by the Chairman to receive public money on behalf of the Office of the AASB, that person or body must comply with these Instructions.
9. Special Public Money must be accounted for separately.

Additional Guidance

A non-bankable currency means:

- (a) a currency that cannot be banked; or
- (b) a currency where the banking of which would, in the opinion of the Chairman by which it is received, involve significant costs or administrative difficulty.

Special public money means public money that is not held on account of the Commonwealth or for the use or benefit of the Commonwealth. Money held by the Commonwealth on trust for another person is an example of special public money.

References

FMA Act: Sections 8-16, 44

FMA Regulations 17, 18

1.2 Official Bank Accounts

Instructions

1. The Office of the Office of the AASBs operating bank account must have a name that includes the word 'Official' and must be opened and closed only by officials with a delegation to open such an account.
2. Only those officials delegated by the Chairman may sign cheques drawing on the account. Cheques must be signed by at least two authorised officials*.
3. Unissued cheques are to be kept in a locked B-class cabinet or safe at all times.
4. The bank account statements are to be obtained and reconciled to the Office of the AASBs Financial Management Information System general ledger each month. All discrepancies are to be investigated and appropriate corrective action taken.

*Refer to AASB Financial Delegations

References

FMA Act: Sections 8-16, 44

FMA Regulations 17-19A

Finance Minister's Delegation: Schedule 1 - Parts 1 and 4

1.3 Official cash advances for the payment of operating expenses (including petty cash)

Instructions

1. The Chairman must approve, in writing, the establishment of approved advances to make payments for operational expenses. Official must comply with any instructions issued by the Chairman in approving the establishment of the advance.
2. The Chairman must nominate an official who will exercise responsibility for the overall management of approved advances.
3. Advance holders must ensure that they are aware of their responsibilities, use the advances only for official purposes and keep records in accordance with these instructions.
4. Advances must be held in a locked B-class cabinet or safe at all times and, when they are transferred between officials, a handover/takeover must be prepared and signed.
5. Officials who are issued with an advance or reimbursement must provide the Advance Holder with:
 - a. A receipt or invoice for amounts less than \$82.50 (including GST); or
 - b. An invoice for amounts of \$82.50 or more (including GST).
6. A reconciliation of each advance/ petty cash float held must be undertaken each month. All discrepancies must be investigated and appropriate corrective action taken.

Additional Guidance

An official advance is public money held outside an official bank account for the purpose of making payments in cash (for example a petty cash float). It does not include travel allowance. An official advance can only be made:

- to provide cash for minor purchases or reimbursement of expenses officials have incurred in the course of official business (petty cash); or
- for a purpose relating to the agency's operations that the Chairman has approved in writing.

References

FMA Act: Sections 8-16, 26, 27, 44

1.4 Loss and Recovery of Public Money

Instructions

1. An official who becomes aware of a loss of public money must report the loss immediately to the Director – Finance and Administration.
2. If, at the time of the loss, an official had nominal custody of the public money and did not take reasonable steps to prevent the loss, the official may be liable to pay the Office of the AASB an amount equal to the loss.
3. Where an official who did not have nominal custody of the public money at the time of the loss but causes or contributes to that loss by misconduct, or by a deliberate or serious disregard for reasonable standards of care, that official may be liable to pay the Office of the AASB an amount equal to the loss. However, if the person's misconduct or disregard was not the sole cause of the loss, the person may be liable to pay only so much of the loss as is just and equitable having regard to the person's share of the responsibility for the loss.
4. The Director – Finance and Administration is responsible for providing a report to the Chairman on any loss of public money including recommendations for recovery.

Additional Guidance

A person has *nominal custody* of public money if:

- (a) the person holds the money by way of a petty cash advance, "change float" or other advance;
or
- (b) the person has received the money, but has not yet dealt with it as required by section 10 of the FMA Act (i.e. promptly banked the public money).

References

FMA Act: Sections 8-16, 26, 27, 44, 47

1.5 Recovery of Debts and Debt Write-Off

Instructions

1. The Director – Finance and Administration is responsible for pursuing the recovery of all amounts owing to the Office of the AASB except where the debt has been written off by the Chairman or his/her delegate.
2. The Chairman, or his/her delegate*, may write-off debts if satisfied that:
 - the non-recovery of a debt has been authorised by an Act;
 - a debt is not legally recoverable, or
 - it is not economical to pursue recovery of a loss or debt.
3. The Director – Finance and Administration must ensure that proper accounts and records are maintained for each debtor of the Office of AASB and that appropriate follow-up action for debt recovery is taken.

* Refer to AASB Financial Delegations.

Additional Guidance

Debts may arise as a result of an individual, corporation or organisation being provided property or services, or as a result of an amount of a grant being repayable. Debts can also arise as a result of the Office of the AASB officials receiving overpayments, such as officials who have been overpaid travelling allowance or salary.

The ‘write-off’ of a debt owed to the Office of the AASB merely defers recovery; it does not wipe out the debt at law. As such, the Office of the AASB can pursue the debt at a later date should the debtor’s financial circumstances improve.

References

FMA Act: Section 47

1.6 Repayment of Amounts Owning and Debts by Instalment or Deferment

Instructions

1. The Chairman, or his/her delegate*, must approve, in writing, any arrangement for the payment by instalments, or the deferral of the time for payment, of an amount owing to the Office of the AASB.
2. Where such an arrangement is approved, the debtor must be informed, in writing, of the conditions surrounding acceptance of the repayment by instalment or deferment arrangements and obtain written confirmation of acceptance of those conditions from the debtor.
3. The Director – Finance and Administration must ensure that a proper record of the repayments is maintained.
4. In the case of debts owing by Office of the AASB officials, consideration must be given to reducing future pay entitlements to offset the debt unless other arrangements are agreed with the official. For employees leaving the Office of the AASB any outstanding monies will be deducted from the final payment to that employee.

*Refer to AASB Financial Delegations

Additional Guidance

Unless otherwise allowed by law, amounts owing to the Office of the AASB should be paid in full immediately when the debt becomes due. In a situation where it is not possible or reasonable for an amount to be paid in full immediately and in the absence of any statutory right of the debtor to do otherwise, consideration may be given to contracting with the debtor to allow payment of the amount by instalments or in full at a deferred date.

When allowing payment by instalments, the delegate must impose conditions on such payment with the object of ensuring that the agency recovers the amount as soon as is reasonably practicable, having regard to the debtor's ability to repay.

In a situation of claimed hardship, the Director – Finance and Administration must require the debtor to provide evidence (by a statutory declaration and/or other means) sufficient to satisfy the delegate that it would be unreasonable to require the debtor to discharge the debt other than in instalments.

References

FMA Act: Sections 34(1)(c), 34 (1)(d), 47

Finance Minister's Delegation: Schedule 1 - Parts 12 and 13

1.7 Waiver of Debts

Instructions

1. All waiver requests under section 34 of the FMA Act must be referred to the Director – Finance and Administration.
2. The Director – Finance and Administration must submit to the Finance Minister, through the Chairman, all requests to waive debts under the FMA Act, if:
 - It is considered the request to waive the debt is warranted; or
 - The debtor has asked the Finance Minister consider the debtor’s waiver request.

Additional Guidance

A waiver is a special concession granted to an individual or organisation that expunges the debt owed to the Commonwealth. That is, the debt is wiped out so the Commonwealth cannot pursue the debt at a later date should that debtor’s financial circumstances improve. It is a discretionary power intended to be used in a limited number of cases where ‘special circumstances’ exist to ensure equity in the impact of Government activities. This power has not been delegated to Chief Executives. Only the Finance Minister may waive the Commonwealth's right to the recovery of a debt.

References

FMA Act: Section 34

CEI 2: Drawing Rights and Estimates

Overview

Drawing rights, issued by the Finance Minister (or his/her delegate) under the FMA Act, and appropriations passed by law are pre-requisites to the spending of public money. Under section 27 of the FMA Act, the Finance Minister has delegated to all Chief Executives his authority to issue drawing rights.

The usual budget cycle includes the preparation of budget estimates covering the next financial year, forward estimates for the three year period following the next financial year and additional estimates covering any additional funding necessary to complete the current financial year.

The instructions covered in this section are:

- 2.1 *Drawing Rights*
- 2.2 *Estimates*

2.1 Drawing Rights

Instructions

1. The Chairman is responsible for issuing drawing rights to officials before an official can:
 - Make a payment of public money for a specified purpose; or
 - Request the debiting of an amount against a particular appropriation; or
 - Debit an amount against a particular appropriation.

In issuing drawing rights, the Chairman must specify any limit on each exercise of the drawing right.

2. The Director – Finance and Administration must ensure that drawing rights are issued for all appropriations that are the responsibility of the Office of the AASB (and other Agencies' appropriations where it has been agreed that the Agency is drawing on their appropriations.
3. The Director – Finance and Administration must keep proper records of all issues of drawing rights and maintain a system of review of all drawing rights.
4. Officials authorised to exercise drawing rights must not:
 - Process accounts for which they are the authoriser; or
 - Process accounts involving them, including claims for entitlements or payment of their own credit card account.

Additional Guidance

Drawing rights are usually issued to officials performing treasury and accounts processing functions and advance holders who make direct payments (eg petty cash). Credit card holders do not normally need drawing rights; while they incur costs on behalf of the Office of the AASB, the payments in respect of those costs are actually made by the accounts processing officials (after appropriate checks and approvals) when payments are made against the credit card statements.

References

FMA Act: Sections 26, 27

2.2 Estimates

Instructions

1. The Director – Finance and Administration is responsible for the preparation of Budget Estimates, Additional Estimates and Estimates related documentation for each financial year.
2. The estimates must be prepared in the form specified by and provided within the timeframes required by the Secretary of the Department of Finance and Deregulation.
3. When preparing estimates, all officials must comply with the requirements of any Estimates Memoranda issued by Finance. Officials must also comply with any requirements for the preparation of the estimates that are specified in writing by the Director – Finance and Administration.

References

FMA Act: Section 44
FMA Orders

CEI 3: Investment and Borrowing

Overview

As a general principle, public money administered by FMA Act agencies cannot be invested. The power to invest public money in accordance with section 39 of the FMA Act can only be obtained via a delegation from the Finance Minister, or a delegation by the Treasurer regarding the management of public debt, or authorised by legislation.

The instructions covered in this section are:

3.1 *Investments*

3.2 *Borrowing*

3.1 Investments

Instruction

1. Public money must not be invested outside of the Consolidated Revenue Fund unless authorisation has been sought from the Finance Minister or Treasurer and the investment is an authorised investment as defined by section 39 of the FMA Act.

Additional Guidance

An authorised investment in relation to the Finance Minister means any of the following investments:

- securities of the Commonwealth or of a State or Territory;
- securities guaranteed by the Commonwealth, a State or a Territory;
- a deposit with a bank, including a deposit evidenced by a certificate of deposit;
- any other form of investment prescribed by the regulations.

An authorised investment in relation to the Treasurer means any of the following investments:

- securities of the Commonwealth or of a State or Territory;
- securities guaranteed by the Commonwealth, a State or a Territory;
- a deposit with a bank, including a deposit evidenced by a certificate of deposit;
- debt instruments issued or guaranteed by:
 - the government of a foreign country; or
 - a financial institution whose members consist of foreign countries, or of Australia and foreign countries;being debt instruments with a credit rating that is consistent with the sound management of public debt;
- any other form of investment prescribed by the regulations

References

FMA Act: Sections 39, 44

FMA Regulations: Regulation 22

Finance Minister's Delegation: Schedule 1 - Part 16

3.2 Borrowing

Instruction

Officials must not borrow money on behalf of the Office of the AASB.

Additional Guidance

The Director – Finance and Administration can enter into arrangements for the issue of credit cards, otherwise officials must not borrow money on behalf of the Office of the AASB (refer CEI 6.1).

References

FMA Act: Sections 37, 38, 44 and 60

FMA Regulations: Regulation 21

Finance Minister's Delegation: Schedule 1 - Part 15

CEI 4: Control and Management of Public Property

Overview

Public property is defined in the FMA Act as

- a) property in the custody or under the control of the Commonwealth; or
- b) property in the custody or under the control of any person acting for or on behalf of the Commonwealth in respect of the custody or control of the property;

including such property that is held on trust for, or otherwise for the benefit of, a person other than the Commonwealth.

Examples of public property include:

- office furniture and stationery
- computing equipment and mobile phones
- land and buildings
- motor vehicles
- intellectual property; and
- financial accounts and records.

The instructions covered in this section are:

- 4.1 Custody and Use of Public Property
- 4.2 *Loss of Public Property*
- 4.3 Disposal of Public Property
- 4.4 Gifting of Public Property
- 4.5 Receiving Gifts
- 4.6 Property and Money Found on Commonwealth Premises

4.1 Custody and Use of Public Property

Instructions

1. All officials must ensure the adequate security and reasonable care of public property under their care and custody.
2. Officials must not remove public property from the Office of the AASB's premises unless:
 - the public property is on personal issue; and
 - permission from the official's manager has been obtained; and
 - the public property is to be used for work purposes.
3. Officials must return all public property on personal issue before they leave the Office of the AASB.

References

FMA Act: Sections 41, 42, 44

4.2 Loss of Public Property

Instructions

1. An official who becomes aware of the loss of public property must report the loss immediately to the Director – Finance and Administration.
2. The Director – Finance and Administration must arrange to investigate the circumstances of the loss and prepare a report. The report must indicate what action should be taken on recovery of the loss if any.
3. The public property must be written off in accordance with accounting principles and Office of the AASB's financial delegations.
4. An official who becomes aware of a loss that may involve fraud must comply with the procedures in the Office of the AASB's Fraud Control Plan.

References

FMA Act: Sections 41, 42

4.3 Disposal of Public Property

Instructions

1. An official who is aware of public property that has become surplus, obsolete or unserviceable must bring the matter to the attention of the Director – Finance and Administration who has responsibility for the disposal of the property.
2. The process of disposal of public property must obtain the best net outcome for the Office of the AASB and the Commonwealth, and must be able to withstand public scrutiny on probity and ethical grounds.
3. Where the disposal of public property is undertaken by sale, the sale must be by an open-market process.

Additional Guidance

Public property may be disposed of by sale, trade-in or write-off. Gifting of public property is covered in CEI 4.4.

The official disposing of the property must ensure that the property being disposed of contains no:

- classified or otherwise sensitive material;
- material that could be used for fraudulent purposes;
- hazardous material (unless special disposal arrangements are made); and
- in the case of computer equipment, software that would breach licence agreements.

If the official disposing of the property receives the proceeds directly, he/she must pass the proceeds to the CPM on the day of receipt, or, if not practicable, on the next working day.

The asset register must be updated to reflect the disposal of public property.

References

FMA Act: Sections 41, 44

4.4 Gifting of Public Property

Instruction

1. Recommendations to make gifts of public property must be submitted to the Chairman for approval. The recommendation must address the benefits to the Office of the AASB in gifting the property.

Additional Guidance

If a gift of public property is being contemplated, the Chairman must have regard to the requirement to adhere to the Commonwealth's general policy for the disposal of Commonwealth property, namely, that, wherever it is economical to do so, the property being disposed of should:

- be sold at market price, in order to maximise the return to the Commonwealth; or
- otherwise, should be transferred (with or without payment) to another Commonwealth Agency with a need for an asset of that kind.

A departure from the Commonwealth's general policy, encompassing disposal by gift, is permitted if the Commonwealth property in question is:

- genuinely surplus to the Agency's requirements; and
- of historical or symbolic significance in relation to the proposed recipient; or
- holds other special significance for the proposed recipient, and there are compelling reasons to justify its gifting to that recipient.

If a gift of public property is being contemplated, the delegate is to consider whether approval in a particular case would create an onerous or undesirable precedent.

The delegate is also required to obtain a reasonable estimate of the value of the gift, before approving the gift. If it is not possible to obtain a reasonable estimate, the delegate must assign a notional value to the gift and record his/her basis for determining the notional value.

References

FMA Act: Sections 43, 44

FMA Delegations: Schedule 1 - Part 17

4.5 Receiving Gifts

Instructions

1. A gift or benefit should not be accepted by a staff member unless it is justifiable to do so. Officials are to ensure no conflict of interest could be perceived from the acceptance of a gift or benefit.
2. Officials must report all gifts received by them in the conduct of their work as a Office of the AASB official to the Director – Finance and Administration.
3. Officials must not improperly use their position, status, power or authority to gain a benefit or advantage for themselves or others.

Additional Guidance

Officials must consider the reputation of the Office of the AASB and the probity of the situation when accepting gifts.

References

FMA Act: Sections 41-44

4.6 Property and Money Found on Commonwealth Premises

Instructions

1. An official finding property (other than money) on premises, or in a vehicle, container or receptacle under the control of the Office of the AASB must pass the property to the Director – Finance and Administration on the day that the property is found, or, if not practicable, on the next working day.
2. If the owner does not claim the property within 3 months of the date in which it was found then the Office of the AASB may dispose of the property by sale.
3. An official finding money on premises, or in a vehicle, container or receptacle under the control of the Office of the AASB must pass the money to the CPM on the day that the property is found, or, if not practicable, on the next working day.
4. The CPM must:
 - maintain a register for money found on Commonwealth premises etc;
 - issue a receipt to the finder;
 - bank the money into the Reserve Bank Official Administered Receipts Account, as soon as possible, either on the day of receipt or no later than 5 working days;
 - if appropriate, (i.e. for a large sum of money) notify the local police authorities; and
 - make every reasonable effort to trace the owner and return the money to the owner through a repayment under s.28 of the FMA Act.

References

FMA Act: Sections 8-16, 28, 41-44

FMA Regulations: Regulation 23

CEI 5: Spending Public Money

Overview

Approving proposals to spend public money prior to entering any arrangement that will, or may, result in the expenditure of money by the Office of the AASB, either now or in future financial years, is the fundamental accountability requirement relating to the expenditure of public money. This applies to all spending proposals under which the Office of the AASB is obliged, or may become obliged, to make a payment of public money. This includes, but is not limited to:

- contracts or agreements for the procurement of property (including goods) and services;
- grants and funding agreements;
- contingent liabilities, including indemnities, guarantees, warranties, letters of comfort and liability caps;
- interagency transactions;
- official travel and hospitality expenditure;
- hire of consultants and contractors;
- venue or equipment hire; and
- small value, one-off purchases of goods or services.

This section includes:

- 5.1 *Approving proposals to spend public money*
- 5.2 *Payment of Accounts*
- 5.3 *Procurement*
- 5.4 *Entering and Managing Contracts and Agreements*
- 5.5 *Official Travel*
- 5.6 *Official Hospitality*

5.1 Approving proposals to spend public money

Instructions

1. An official must not approve a proposal to spend public money unless the official has been delegated with the authority to do so.
2. A delegate must not approve a spending proposal unless the delegate is satisfied, after making such enquiries as are reasonable, that the proposal:
 - is in accordance with the policies of the Office of the AASB and the Commonwealth;
 - will make efficient and effective use of public money; and
 - where the expenditure is not covered by an existing appropriation or a proposed law before Parliament (e.g. it is for a future financial year), agreement under FMA Regulation 10 has been obtained.
3. A delegate must not approve expenditure for their personal benefit.
4. If an approval to spend public money is not given in writing, the delegate must record the terms of the approval as soon as practicable after the approval is given.

Additional Guidance

An official must not approve any expenditure that could involve the provision of a benefit specifically to him or her personally, such as his or her travel arrangements, training and conferences and the purchase of personal communication equipment for official purposes which could also be used by him or her for incidental private purposes. Such expenditure must be approved by another delegate.

References

FMA Act: Section 44

FMA Regulations: Regulations 7-12

5.2 Payment of Accounts

Instructions

1. Only officials issued with drawing rights may:
 - request an amount be debited against the Office of the AASB's appropriations,
 - debit an amount against the Office of the AASB's appropriations, and/or
 - make a payment of public money from the Office of the AASB's official bank accounts.
2. Tax invoices must be received for all relevant expenditure. All expenditure and invoice documentation must reflect GST legislative requirements.
3. Only officials delegated with the power to do so may approve the payment of an invoice.
4. Before an invoice is approved for payment, confirmation must be received, in writing, that the relevant goods and/or services have been received and that the invoice is correct for payment.
5. All accounts to small business are to be paid in accordance with the Commonwealth payment policy unless alternative payment terms have been negotiated with the vendor prior to or at the time the arrangement was entered.

References

FMA Act: Sections 26-27, 44

FMA Regulations: Regulations 7-12

5.3 Procurement

Instructions

1. Officials involved with procurement must comply with the *Commonwealth Procurement Guidelines* (CPGs) issued by the Finance Minister.
2. Officials must adopt the following procedures for all procurements (the amounts include GST):
 - \$2,000 to \$10,000— 1 written quotation to ensure value for money.
 - \$10,001 to \$79,999— 3 written quotations to ensure value for money.
3. Procurements above \$80,000 are mostly defined as a covered procurement in the CPGs. For all covered procurements, officials must comply with the CPG Mandatory Procurement Procedures, including:
 - planning the procurement
 - documenting the process
 - approaching the market
 - receiving and evaluating submissions, and
 - awarding and reporting subsequent contracts.
4. All significant (over \$80,000) procurements should be included in the Office of the AASBs Annual Procurement Plan which is required by the CPGs to be published by 1 July each year on the Office of the AASB's website and AusTender. The Chairman must approve the plan.
5. For all procurements (including procurements which are not covered by the CPG Mandatory Procurement Procedures), officials must ensure adherence to the core principle of value for money, using a whole-of-life basis of the property or service being procured, as well as the principles of efficiency and effectiveness, accountability and transparency, and ethics.

References

FMA Act: Section 44

FMA Regulations: Regulation 7-12

5.4 Entering and Managing Arrangements (including contracts and other agreements)

Instructions

1. A delegate must not enter into an arrangement unless all relevant approvals, including FMA Regulation 10 agreement (required where the potential expenditure under the arrangement extends beyond the current appropriation or exceeds current available appropriation) have been obtained.
2. The arrangement must be consistent with the approved proposal to spend public moneys.
3. Officials must record information relating to all contracts in the Office of the AASB's Contracts Register.

References

FMA Act: Section 44

FMA Regulations: Regulations 7-12

5.5 Official Travel

Instructions

1. Air travel should only be undertaken when other options (eg. teleconferencing or videoconferencing) are not considered to be effective alternatives.
2. An official must not approve his/her own travel.
3. Any staff domestic airfares must be approved by the Chairman, or the Director of Research and Deputy CEO, or the Technical Director, or the Director, Finance and Administration, prior to the date of travel.
4. International travel must be approved by the Chairman, prior to the date of travel. The Chairman's travel must be countersigned by the Director of Research and Deputy CEO, or Technical Director, or the Director, Finance and Administration, prior to the date of travel.
5. When booking domestic airfares officials must purchase the *Lowest Practical Fare* (LPF). The LPF is the lowest fare available that suits the practical business needs of the traveller.
6. When booking international airfares officials must purchase the *International Best Fare* (IBF). The IBF is the lowest fare available on the day the travel is booked, on a scheduled service, which suits the practical business needs of the traveller.
7. Where there is a reasonable degree of certainty around the travel times, flexible fares should not be used.
8. Officials must give consideration to using smaller airlines when undertaking official travel.
9. An official using their private vehicle for official travel must have a current driver's license, current registration and adequate insurance cover.

Additional Guidance

In determining the LPF or IBF it is not appropriate to consider:

- a preference for jets or full-service airlines
- access to airline lounges
- accumulating airline benefits such as reward or loyalty points

References

FMA Act: Section 44

FMA Regulations: Regulations 7-12

Finance Circular: 2009/10 and 2009/11

5.6 Official Hospitality

Instructions

1. Official hospitality expenditure must be publicly defensible.
2. The Chairman must approve all official hospitality in advance.
3. Officials receiving meals that are a charged against official hospitality must not also receive a travelling or other allowance in respect of those meals.

Additional Guidance

Official hospitality covers the use of public funds to facilitate the conduct of public business through the provision of food, beverages, entertainment and/or gifts to individuals outside the Office of the AASB.

For the purposes of this instruction, official hospitality does not include modest food and beverages provided on the Office of the AASB's premises in the course of business meetings. In addition, the provision of the following is not included where provided offsite and in the course of business meetings:

- tea/coffee;
- non-alcoholic beverages;
- biscuits, and/or
- light lunch.

Officials should not provide a tip or gratuity from within hospitality expenditure for services received, except where this is the expected and universal practice (eg in certain overseas countries) in which case the amount of the tip or gratuity should be consistent with that practice.

References

FMA Act: Sections 44

FMA Regulations: Regulations 9-12

Overview

This section includes:

- 6.1 *Credit Cards*
- 6.2 *Cabcharge*
- 6.3 *Act of Grace Payments*
- 6.4 *Compensation for Detriment Caused by Defective Administration*
- 6.5 *Payments Pending Probate*

6.1 Credit Cards

Instructions

1. The Chairman must approve the issue of an official credit card.
2. The Director – Finance and Administration is responsible for entering into arrangements for credit cards with a bank(s) and issuing credit cards to approved officials.
3. A credit card must only be used for official purposes and in accordance with these Instructions.
4. The Director – Finance and Administration must ensure that officials sign an agreement and acknowledgement form prior to an official credit card being issued to an official.
5. The card holder must at all times remain within the limits of that authorisation and adhere to all policies and procedures for the spending of public money.
6. If a credit card is lost or stolen or the card is otherwise misused, the card holder must immediately advise the bank, their supervisor and the Director – Finance and Administration of the details and circumstances of the loss or misuse.
7. When a card holder no longer requires a credit card, or ceases employment with the Office the AASB, the credit card must be returned to the Director – Finance and Administration for cancellation.
8. The Director – Finance and Administration must keep a register of credit cards issued including cancelled or lost cards.

References

FMA Act: sections 38, 44, 60

FMA Regulations: Regulations 9-12, 21

6.2 Cabcharge vouchers

Instructions

1. The Chairman or his/her delegate is responsible for entering into Cabcharge agreements and for the oversight and management of those arrangements.
2. Cabcharge vouchers must only be used for official purposes. An official issued with Cabcharge vouchers must not use the vouchers for his/her own personal travel or for personal travel by any other official or person.
3. Officials issued with Cabcharge cards or vouchers must ensure the safe custody and security of the Cabcharge card or vouchers.
4. Any unused CabCharge cards or vouchers must be returned as soon as practicable.

References

FMA Act: section 38, 44 and 60

FMA Regulations: Regulations 9-12, 21

6.3 Act of Grace Payments

Instructions

1. The Director – Finance and Administration is responsible for coordinating requests to the Department of Finance and Deregulation for act of grace payments.
2. Act of grace payments must not be made unless authorised by the Finance Minister.
3. All act of grace payments must be reported in the Office of the AASB's annual financial statements.

Additional Guidance

Act of grace payments are one off or periodic payments to individuals or other bodies in special circumstances. An act of grace payment is used when the paramount obligation to the claimant is moral, rather than legal.

Act of grace payments must be made from money appropriated by the Parliament. Generally, an act of grace payment can be debited against the Office of the AASB's annual appropriation, providing that it relates to some matter that has arisen in the course of its administration or otherwise relates to the Office of the AASB's outcomes.

References

FMA Act: Sections 33, 44, 48, 49

FMA Orders: *Financial Management and Accountability Orders (Financial Statements)*

6.4 Compensation for Detriment Caused by Defective Administration

Instructions

1. All claims for compensation arising from defective administration must be approved by the Treasurer.
2. An official who receives a claim against the Office of the AASB for compensation arising from defective administration must, in the first instance, refer the matter to the Director – Finance and Administration.
3. All payments made under the Compensation for Detriment Caused by Defective Administration scheme must be reported in the Office of the AASB's annual financial statements.

Additional Guidance

Compensation for Detriment Caused by Defective Administration (CDDA) is an administrative scheme to enable Commonwealth agencies to compensate individuals who have suffered detriment due to the 'defective' actions or inaction of such agencies and where the claimant has no legal or statutory right or redress. Defective administration refers to:

- a specific and unreasonable lapse in complying with existing administrative procedures;
- an unreasonable failure to institute appropriate administrative procedures;
- an unreasonable failure to give to (or for) a claimant, the proper advice that was within the official's power and knowledge to give (or reasonably capable of being obtained by the official to give), or
- the provision of advice that was, in all the circumstances, incorrect or ambiguous.

References

FMA Act: Section 44

FMA Regulations: Regulations 9-12

FMA Orders: Financial Management and Accountability (Financial Statements) Orders

Finance Circular 2009/09: Discretionary Compensation and Waiver of Debt Mechanisms

6.5 Payments pending Probate

Instruction

1. Payments owed by the Office of the AASB pending probate must be approved by the Chairman.
2. The delegate must have regard to the persons who are entitled to the property of the deceased person under the deceased person's will or under the law relating to the disposition of the property of deceased persons.

References

FMA Act: Sections 44

FMA Regulations: Regulations 9-12, 30

Finance Minister's Delegation: Schedule 2 - Part 2

CEI 7: Special Responsibilities of Chief Executives

Overview

The FMA Act sets out special responsibilities of Chief Executives in sections 44 to 53. These special responsibilities are covered in CEI 7.1 to CEI 7.7.

This section includes:

- 7.1 *Fraud Prevention and Control*
- 7.2 *Audit Committee*
- 7.3 *Accounting Records and Financial Statements*
- 7.4 *Risk Management*
- 7.5 *Insurance*
- 7.6 *Claims against the Commonwealth*
- 7.7 *Media Advertising*
- 7.8 *Security*

7.1 Fraud Prevention and Control

Instructions

1. The Director – Finance and Administration is responsible for overseeing the development and implementation of the Fraud Control Plan for the Office of the AASB and for submitting a report on fraud control activities to the Minister every two years.
2. An official who becomes aware or suspects that a fraud has been carried out against the agency by a staff member or any other person must report the matter immediately to the Director – Finance and Administration.

Additional Guidance

Office of the AASB's Fraud Control Plan must:

- be in accordance with the Commonwealth Fraud Control Guidelines;
- include a risk assessment of fraud in the agency; and
- be reviewed every two years to remain relevant to the agency's requirements.

A report on fraud control activities must include an assessment of risks for fraud on the Office of the AASB and if a fraud control plan has been previously prepared an assessment of that previous fraud control plan.

References

FMA Act: Section 45

FMA Regulations: Regulations 16A

7.2 Audit Committee

Instructions

1. An Audit Committee must be established and maintained by the Chairman or his/her delegate.
2. The terms of reference for the Audit Committee must include particulars of membership, frequency of meetings, functions and responsibilities of the Committee.

Additional Guidance

The functions and responsibilities outlined in the Audit Committee terms of reference must include:

- a) the approval of internal annual and strategic audit plans of the Office of the AASB; and
- b) the review of all audit reports involving matters of concern to senior management of the Office of the AASB, including the identification and dissemination of good practices; and
- c) the provision of advice to the Chairman on action to be taken on matters of concern raised in a report of the internal auditors or in a report of the Auditor-General concerning the Office of the AASB; and
- d) as far as practicable, the coordination of audit programs conducted by internal auditors and the programs conducted by the Auditor-General; and
- e) the provision of advice to the Chairman on the preparation and review of financial statements of the Office of the AASB.
- f) other matters included in the Audit Committee Charter.

References

FMA Act: Section 46

FMA Regulations: Regulation 22C

7.3 Accounting Records and Financial Statements

Instructions

1. The Director – Finance and Administration has operational responsibility for maintaining the Office of the AASB's accounting records and preparing the financial statements.
2. The Director – Finance and Administration must ensure that accounting records are maintained, and the financial statements are prepared in accordance with the FMA Act, Regulations and Orders, Finance Circulars and the accounting standards.

Additional Guidance

Officials preparing the annual financial statements must make every endeavour to ensure that the statements are of a quality that is acceptable to the Australian National Audit Office (ANAO).

References

FMA Act: s.48, 49 and 50

FMA Orders: *Financial Management and Accountability Orders* (Financial Statements)

7.4 Risk Management

Instructions

1. All officials must be aware of the requirements of the Office of the AASB's risk management plan.
2. Officials have a responsibility to ensure that the risks relating to their particular area of work are managed to ensure the best outcome is achieved.

References

FMA Act: Section 44

7.5 Insurance

Instructions

1. An official who becomes aware of any event that might lead to a claim on the agency's insurance must refer the matter immediately to the Director – Finance and Administration.
2. The Director – Finance and Administration is responsible for notifying Comcover as soon as possible after he/she is notified of the event.
3. The Director – Finance and Administration is responsible for managing the insurance policy with Comcover and ensuring that Comcover are provided with all relevant information, including any potential insurance risks.

Additional Guidance

Officials should refrain from making any statement to possible claimants or witnesses to the event, or taking any action which could be construed as an admission of liability.

References

FMA Act: Section 44

7.6 Claims against the Commonwealth

Instructions

1. Monetary claims (other than claims that are to be determined under a legislative or contractual mechanism) are to be handled in accordance with the Legal Services Direction issued by the Attorney-General.
2. Claims that are to be determined under a contractual mechanism are to be handled in accordance with the procedures contained in the contract.
3. The Director – Finance and Administration is responsible for advising Comcover immediately after any claim is made.
4. Only an AASB official, delegated by the Chairman, may approve the payment of a monetary claim (refer to AASB Financial Delegations).

Additional Guidance

An extract of the Legal Services Direction policy concerning monetary claims against the Commonwealth is provided below.

1. *The Legal Services Direction issued by the Attorney-General concerns the handling of monetary claims against the Commonwealth or an agency, and monetary claims by the Commonwealth or an agency, other than claims that need to be determined under a legislative mechanism (for example, a Comcare benefit) or under a mechanism provided by contract (for example, an arbitration of a disputed contractual right).*

Criteria for settlement

2. *Monetary claims covered by this policy are to be settled in accordance with legal principle and practice, whatever the amount of the claim or proposed settlement. A settlement on the basis of legal principle and practice requires the existence of at least a meaningful prospect of liability being established.*

In particular, settlement is not to be effected merely because of the cost of defending what is clearly a spurious claim. If there is a meaningful prospect of liability, the factors to be taken into account in assessing a fair settlement amount include:

- (a) the prospects of the claim succeeding in court*
 - (b) the costs of continuing to defend or pursue the claim, and*
 - (c) any prejudice to Government in continuing to defend or pursue the claim (eg a risk of disclosing confidential government information).*
3. *Settlements for amounts not exceeding \$25,000 may be approved by the Chief Executive of the agency (as defined under the Financial Management and Accountability Act 1997), or the Chief Executive's authorised officer, on the basis of a common sense view that the settlement is in accordance with legal principle and practice. However, if a claim, together with any related claim, cannot be settled for \$25,000 or less, it is to be treated as a major claim.*
 4. *Major claims may only be settled if:*

- (a) written advice is received from the Australian Government Solicitor or other legal adviser external to the agency that the settlement is in accordance with legal principle and practice, and
- (b) the Chief Executive (or authorised officer) agrees with the settlement.

5. If an agency considers that a claim raises exceptional circumstances which justify a departure from the normal mechanism for settling a claim, it is to refer the matter to OLSC. The Attorney-General may permit a departure from the normal policy, but may impose different or additional conditions as the basis for doing so.

Release

6. It should ordinarily be a condition of any settlement involving the payment of money to a claimant that the claimant sign a suitable release and, where appropriate, an indemnity against claims by third parties that arise from the event giving rise to the settlement.
- 6A Paragraph 6 does not apply if the claimant is the Commonwealth.

References

FMA Act: Section 44

FMA Regulations: Regulation 9

Legal Services Directions 2005

7.7 Media Advertising

Instruction

1. Advertising in the media in Australia must be arranged through the Centralised Advertising System in accordance with directions issued by the Government Communication Unit within the Department of Finance and Deregulation.

Additional Guidance

The Communications Advice Branch (CAB), Department of Finance and Deregulation administers the Australian Government's Central Advertising System (CAS), which consolidates government advertising expenditure to secure optimal media discounts on Commonwealth-wide media rates. All Australian Government departments and agencies subject to the *Financial Management and Accountability Act 1997* are required to place their advertising through the Central Advertising System.

References

FMA Act: Section 44

FMA Regulations: Regulations 9-12

7.8 Security

Instructions

1. Officials must comply with the requirements of the Commonwealth Protective Security Manual.
2. Officials must be familiar with and comply with the requirements of the Office of the AASBs Security Policy including:
 - Personal passwords must be regarded as sensitive and protected accordingly.
 - Officials must not attempt to bypass or defeat the security systems or attempt to obtain and use passwords or privileges issued to other employees.
 - All officials are responsible for maintaining the confidentiality and integrity of software whether developed by the Office of the AASB or commercially purchased.
 - All officials are responsible for ensuring that computer equipment and electronic media containing sensitive data are protected from theft, damage, loss and unauthorised access.
 - Officials must report any attempts or suspected attempts to break security or gain unauthorised computer access to the Information Technology Security Advisor.
3. Officials must be familiar with and comply with the requirements of the Office of the AASBs Physical Security Policy.
4. Officials must be familiar with and comply with the requirements of the Office of the AASBs Personnel Security Policy.

Additional Guidance

The Office of the AASBs Security Policy provides the organisational security requirements and guidance for the establishment of standards and procedures to achieve and maintain an appropriate level of security to ensure the availability, integrity and confidentiality of the Office of the AASBs information and systems.

The Office of the AASBs Physical Security Policy provides a minimum level of physical security acceptable by the agency.

The Office of the AASBs Personnel Security Policy ensures a minimum level of security is established for all potential employees and that appropriate candidates understand their roles and responsibilities within the organisation.

References

FMA Act: Section 44

Overview

The Department of Finance and Deregulation requires that all breaches of the Commonwealth Government financial framework (including FMA legislation, Government financial management policy) are reported annually to the Finance Minister. The requirements outlined in CEI 8 have been put in place to assist the Office of the AASB in meeting this requirement.

This section includes:

- 8.1 Compliance with the AASB financial framework
- 8.2 Reporting financial management compliance breaches

8.1 Compliance with the AASB financial framework

Instructions

1. All officials of the AASB must comply with all requirements of the AASB financial framework, which includes:
 - a. Government FMA framework (Act, Regulations, Orders).
 - b. Government financial policy.
 - c. These CEIs.
 - d. Policy and Procedures (as outlined in the Internal Policy and Procedures manual).

References

Finance Circular 2009/06 - Certificate of Compliance - FMA Act Agencies

8.2 Reporting financial management compliance breaches

Instructions

1. All breaches of the AASB financial framework must be reported to the Director – Finance and Administration using the prescribed *Financial Management Breach Report* form.
2. Breach reports must be lodged with the Director – Finance and Administration within 14 days of the breach being identified.
3. All officials in the AASB must complete a *Financial Management Compliance Confirmation Form* at the end of each financial year and submit it to the Director – Finance and Administration by 4 July. If an official leaves during the course of a financial year, the form must be completed at the time of leaving, in respect of the portion of the financial year the official was in the AASB.

References

Finance Circular 2009/06 - Certificate of Compliance - FMA Act Agencies

Overview

A contingent liability is a financial liability that will occur only if triggered by a certain event. For example, if an arrangement to rent a conference room requires the AASB to pay for any damage AASB causes during its use of the conference room, this is a contingent liability – it will only materialise should damage actually occur (this particular type of contingent liability is called an indemnity).

This section includes:

- 9.1 Warranties, guarantees and letters of comfort.
- 9.2 Indemnities.

9.1 Warranties, guarantees and letters of comfort

Instructions

1. Officials in the AASB, other than the Director – Finance and Administration, must not provide spending approval for, or enter, arrangements that include a warranty, guarantee or letter of comfort.
2. All proposals (spending proposals or other arrangements) that include a warranty, guarantee, or letter of comfort must be referred to the Director – Finance and Administration.

References

Finance Circular 2003/02 - Guidelines for Issuing and Managing Indemnities, Guarantees, Warranties and Letters of Comfort

Guidelines on Managing Indemnities, Warranties, Guarantees and Letters of Comfort (Department of Finance and Deregulation)

9.2 Indemnities

Instructions

1. Before considering any spending proposal, spending delegates in the AASB must determine if the proposal contains an indemnity.
2. If a spending proposal contains an indemnity, the following authorisations are required before spending approval is considered:
 - a. Authorisation to bind the Commonwealth in respect of an indemnity
 - b. FMA Regulation 10 agreement (not required for capped liabilities or indemnities where a risk assessment demonstrates that the likelihood of the indemnity being triggered is less than 5% and the most probable financial impact is less than \$5 million)

Agreement is obtained by completing the *Application for FMA Regulation 10 Agreement/Authority to Accept an Indemnity* form and forwarding to the Director – Finance and Administration. No action must be taken until authorisation, in writing, is received from the Director.

Additional Guidance

What is an Indemnity

An indemnity is where one party in an arrangement accepts risk, to which the party would not otherwise be exposed.

Why Do Indemnities Require FMA Reg 10 Agreement?

FMA Regulation 10 agreement is required where the payments that will, or may, occur under a spending proposal are not supported by an available appropriation. In a worst case scenario, where an indemnity is triggered by an event, it is possible that there would not be sufficient or available appropriation to support the payment. Therefore, FMA Regulation 10 agreement is required for spending proposals that include an indemnity, unless the indemnity has a likelihood less than 5% of occurring and a most probable financial impact of less than \$5 million, in which case FMA Regulation 10 agreement is not required (refer FMA Regulation 10A).

References

Finance Circular 2003/02 - Guidelines for Issuing and Managing Indemnities, Guarantees, Warranties and Letters of Comfort

Guidelines on Managing Indemnities, Warranties, Guarantees and Letters of Comfort (Department of Finance and Deregulation)

FMA Legislation links to OFFICE OF THE AASB CEIs

FMA Act 1997		OFFICE OF THE AASB CEIs	
Section	Title	CEI	Title
PART 1: Preliminary			
1	Short Title	N/A	
2	Commencement	N/A	
3	This Act binds the Crown	N/A	
4	This Act extends to things outside Australia	N/A	
PART 2: General provisions about definitions and offences			
5	Definitions		Definitions are scattered throughout CEI's
6	Notional payments and receipts by Agencies	N/A	
PART 3: Collection, custody etc. of public money			
8	Agreements with banks about receipt, transmission etc. of public money	CEI 1	Collection and Custody of Public Money
9	Official bank accounts	CEI 1	Collection and Custody of Public Money
10	Public money must be promptly banked etc.	CEI 1	Collection and Custody of Public Money
11	Public money not to be paid into non official account	CEI 1	Collection and Custody of Public Money
12	Receipt and spending of	CEI 1	Collection and Custody of Public

FMA Act 1997		OFFICE OF THE AASB CEIs	
	public money by outsiders		Money
13	Money not to be withdrawn from official account without authority	CEI 1	Collection and Custody of Public Money
14	Misapplication or improper use of public money	CEI 1	Collection and Custody of Public Money
15	Liability for loss of public money	CEI 1	Collection and Custody of Public Money
16	Special Instructions by Finance Minister about handling etc. of special public money	CEI 1	Collection and Custody of Public Money
PART 4: Accounting, appropriations and payments			
DIVISION 1: Accounts and records in relation to public money			
19	Accounts and records in relation to public money	CEI 1	Collection and Custody of Public Money
DIVISION 1A: Special Accounts			
20	Establishment of Special Accounts by Finance Minister		
21	Special Accounts established by other Acts		
22	Disallowance of determinations relating to Special Accounts		
DIVISION 2: Drawing rights			
26	Drawing rights required for payment etc. of public money	CEI 2	Drawing Rights and Estimates
27	Issue of drawing rights	CEI 2	Drawing Rights and Estimates

FMA Act 1997		OFFICE OF THE AASB CEIs	
DIVISION 3: Appropriations			
28	Repayments by the Commonwealth	CEI 4	Control and Management of Public Property
30	Repayments to the Commonwealth		
30A	Appropriations to take account of recoverable GST		
31	Relevant Agency receipts		
32	Transfer of Agency functions		
DIVISION 3A: Recording of amounts in accounts and records			
32A	Recording of amounts in accounts and records		
DIVISION 4: Miscellaneous			
33	Finance Minister may approve act of grace payments	CEI 6	Miscellaneous
34	Finance Minister may waive debts etc.	CEI 1	Collection and Custody of Public Money
36	Presiding Officers may approve expenditure		
PART 5: Borrowing and investment			
37	Unauthorised borrowing agreements are invalid	CEI 3	Investments and Borrowing
38	Finance Minister may borrow for short periods	CEI 3	Investments and Borrowing
39	Investment of public money	CEI 3	Investments and Borrowing
PART 6: Control and management of public property			

FMA Act 1997		OFFICE OF THE AASB CEIs	
40	Custody etc. of securities	CEI 1	Collection and Custody of Public Money
41	Misapplication or improper use of public property	CEI 4	Control and Management of Public Property
42	Liability for loss etc. of public property	CEI 4	Control and Management of Public Property
43	Gifts of public property	CEI 4	Control and Management of Public Property
PART 7: Special responsibilities of Chief Executives			
44	Promoting efficient, effective ethical and economical use etc. of Commonwealth resources		Covered in most CEI's
44A	Keeping responsible Minister and Finance Minister informed		
45	Fraud control plan	CEI 7	Special Responsibilities of Chief Executives
46	Audit committee	CEI 7	Special Responsibilities of Chief Executives
47	Recovery of debts	CEI 1	Collection and Custody of Public Money
48	Accounts and records	CEI 7	Special Responsibilities of Chief Executives
49	Annual financial statements	CEI 7	Special Responsibilities of Chief Executives
50	Additional financial statements		
51	Reporting requirements if Agency ceases to exist or Agency functions are		

FMA Act 1997		OFFICE OF THE AASB CEIs	
	transferred		
52	Chief Executive's instructions	All CEIs	
53	Chief Executive may delegate powers		Financial Delegations
PART 8: Reporting and audit			
54	Finance Minister must publish monthly financial statements		
55	Preparation of annual statements by Finance Minister		
56	Audit of Finance Minister's annual financial statements		
57	Audit of annual financial statements of Agency	CEI 7	Special Responsibilities of Chief Executives
PART 9: Miscellaneous			
58	Modifications of Act for intelligence or security agency or prescribed law enforcement agency		
60	Misuse of Commonwealth credit card	6	Miscellaneous
62	Finance Minister may delegate powers		
62A	Treasurer may delegate powers		
63	Finance Minister's Orders		
64	Guidelines by Ministers		
65	Regulations		

FMA Regulations		OFFICE OF THE AASB CEIs	
Section	Section and Title	Section	Title / Content
PART 1: Preliminary			
1	Name of regulations		
2	Commencement		
3	Definitions		
3A	Meaning of <i>grant</i>		
PART 2: Agencies			
4	Allocation of certain persons to Departments of State and Departments of the Parliament		
5	Prescribed Agencies and Chief Executives of prescribed Agencies		
5A	Business operation of an Agency		
PART 3: Powers of Chief Executives			
6	Chief Executive's Instructions (Act, s 52)	All CEIs	
PART 4: Commitments to spend public money			
7	Commonwealth Procurement Guidelines (Act, s64)	CEI 5	Spending Public Money
7A	Commonwealth Grant Guidelines (Act, s64)	CEI 5	Spending Public Money
8	Entering into an arrangement	CEI 5	Spending Public Money

FMA Regulations		OFFICE OF THE AASB CEIs	
9	Approval of spending proposals - principles	CEI 5	Spending Public Money
10	Arrangements beyond available appropriation	CEI 5	Spending Public Money
10A	Contingent liabilities	CEI 9	Contingent Liabilities
11	Entering into loan guarantees	CEI 5	Spending Public Money
12	Recording approval of spending proposal	CEI 5	Spending Public Money
PART 5: Relevant Agency receipts			
15	Relevant Agency receipts (Act s 31)		
PART 5A: Protection of public money and public property			
16A	Guidelines on fraud	CEI 7	Special Responsibilities of Chief Executives
PART 6: Banking of public money etc			
17	Prompt banking of received money (Act, s 10)	CEI 1	Collection and Custody of Public Money
18	Public money in non-bankable currency	CEI 1	Collection and Custody of Public Money
19	Withdrawals involving internal transfers (Act s 13)		
19A	Withdrawals for payments or notional payments involving drawing rights (Act s 13)		
20	Custody of securities (Act, s 40)		

PART 7: Borrowing and investment

21	Credit cards (Act s 38, s 60)	CEI 3	Investment and Borrowing
22	Investment of public money (Act s 39)	CEI 3	Investment and Borrowing

PART 7A: Reporting and audit

22 A	Preparation of annual financial statements by Finance Minister (Act s 55)	CEI 7	Special Responsibilities of Chief Executives
22 B	Audit of Finance Minister's annual financial statements (Act s 56)		
22 C	Terms of reference of audit committees (Act s 46)	CEI 7	Special Responsibilities of Chief Executives
22 D	Estimates	CEI 7	Special Responsibilities of Chief Executives

PART 8: Found property

23	Disposal of property found on Commonwealth premises etc (Act s 41)	CEI 4	Control and Management of Public Property
----	--	-------	---

PART 8A: Delegations and instruments

24	Finance Minister may delegate powers		
26	Chief Executive may delegate powers		Financial Delegations
26 A	Operation of instruments under the Regulations		
PART 9: Modified operation of Act and relevant regulations			
27	Modification of Act for intelligence or security agency (Act s 58)		
28	Modifications of Act for prescribed law enforcement agency (Act s 58)		
28 A	Non-application of relevant regulations to operational money (Act s 58)		
PART 10: Act of grace and probate payments			
29	Act of grace payments and waiver of debts (Act s 33, s 34)	CEI 1 CEI 6	Collection and Custody of Public Money Miscellaneous
30	Finance Minister may approve payments pending probate	CEI 6	Miscellaneous

	etc		
PART 11: Transferring leave entitlements – payments when employees move between Agencies etc			
31	Application of Part 11		
32	Agencies to co-operate		
33	Payment within 30 days of a correctly rendered invoice		
34	Specific rules affecting members of the Defence Force		