



**Australian Government**  
**Office of the AUASB**

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# **Chief Executive's Instructions**

October 2011

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# Australian Government

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## Office of the AUASB

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### Issue of Chief Executive's Instructions

I, Merran H. Kelsall, Chairman of the Office of the Auditing and Assurance 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 28 October 2011

A handwritten signature in blue ink, appearing to read 'M H Kelsall'.

Merran H. Kelsall

Chairman

## Introduction

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The Auditing and Assurance Standards Board (AUASB) and the Office of the AUASB 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.

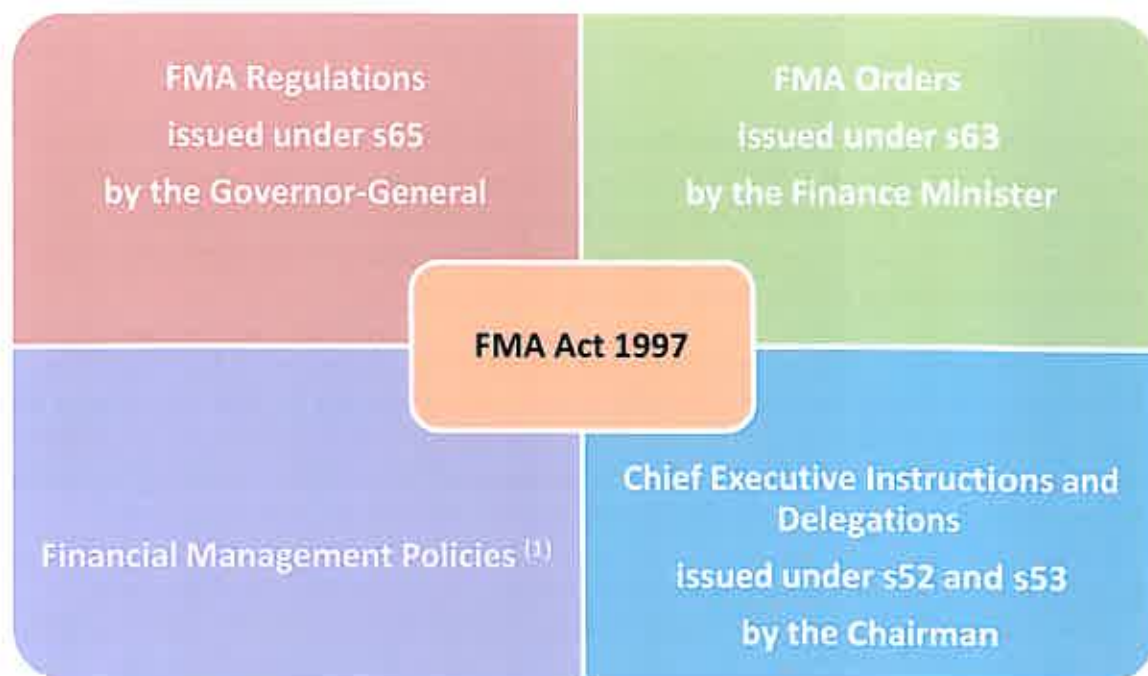
These Chief Executive's Instructions (CEIs) are issued by the Chairman of the AUASB as Chief Executive of the Office of the AUASB, in accordance with the legislation covering the Commonwealth's financial framework (the FMA legislation). The Chairman of the Board is a Chief Executive under the FMA Act. 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 AUASB 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 AUASB 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 AUASB. Other internal policies and procedures that may be issued must not be inconsistent 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**

(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 AUASB's 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 AUASB, 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 AUASB's 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 AUASB's Financial Management Information System general ledger each month. All discrepancies are to be investigated and appropriate corrective action taken.

\* Refer to AUASB 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 are to 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 a 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 Executive Director and 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 AUASB 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 AUASB 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, 46, 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 AUASB except where the debt has been written off by the Chairman or a delegate.
2. The Chairman, or a 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 AUASB and that appropriate follow-up action for debt recovery is taken.

\* Refer to AUASB 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 AUASB 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 AUASB merely defers recovery; it does not wipe out the debt at law. As such, the Office of the AUASB 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 a 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 AUASB.
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 AUASB 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 AUASB any outstanding monies will be deducted from the final payment to that employee.

**\* Refer to AUASB Financial Delegations**

### ***Additional Guidance***

Unless otherwise allowed by law, amounts owing to the Office of the AUASB 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 to 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

### Overview

Drawing rights, issued by the Finance Minister (or a delegate) under the FMA Act, and appropriations passed by law are pre-requisites to the spending of public money. Under 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 AUASB (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 AUASB, 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

Finance Circular 2009/07: Issuing and Exercising Drawing Rights

## **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 the Consolidated Revenue Fund unless authorisation has been sought from the Finance Minister or the 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

Finance Circular 2005/11: Investment of Public Money - section 39 of the *Financial Management and Accountability Act 1997*

### **3.2 Borrowing**

#### **Instruction**

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

## **References**

FMA Act: Sections 37, 38, 44 and 60

FMA Regulations: Regulation 21

Finance Minister's Delegation: Schedule 1 - Part 15

### 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 AUASB'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 AUASB.

### References

## **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 Executive Director and 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 the Office of the AUASB'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 AUASB'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 AUASB 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 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 officials disposing of the property receive the proceeds directly, they 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 AUASB 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 the 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 any gift valued in excess of \$100 received by them in the conduct of their work as an Office of the AUASB official to the Chairman or Executive Director.
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 AUASB and the probity of the situation when accepting gifts.

## **References**

FMA Act: Sections 41

## **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 AUASB 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 on which it was found, the Office of the AUASB 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 AUASB, 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;
  - 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 within 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

### 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 AUASB, 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 AUASB 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 AUASB 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**

Officials must not approve any expenditure that could involve the provision of a benefit specifically to them personally, such as their travel arrangements, training and conferences and the purchase of personal communication equipment for official purposes which could also be used by them 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 AUASB's appropriations,
  - debit an amount against the Office of the AUASB's appropriations, and/or
  - make a payment of public money from the Office of the AUASB'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 AUASB's Annual Procurement Plan which is required by the CPGs to be published by 1 July each year on the Office of the AUASB'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 Contracts and Agreements

### Instructions

1. A delegate must not enter into a contract, agreement or arrangement unless all relevant approvals, including FMA Regulation 10 agreement (required where the potential expenditure under the arrangement extends beyond the current 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 AUASB'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. Officials must not approve their own travel.
3. Any staff domestic airfares must be approved by the Chairman or the Executive Director 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 Executive Director 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 licence, 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 or Executive Director must approve all official hospitality in advance.
3. Officials receiving meals that are a charge 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 AUASB.

For the purposes of this instruction, official hospitality does not include modest food and beverages provided on the Office of the AUASB'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 banks or other credit card providers 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 issuing a credit card 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, the Executive Director 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 AUASB, 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 delegated official 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 their own personal travel or for personal travel by any other official or person.
3. Officials issued with Cabcharge cards or vouchers must ensure their 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 co-ordinating 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 AUASB'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 AUASB'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 AUASB'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 AUASB 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 AUASB'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 AUASB 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: Section 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 AUASB 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 Executive Director and the Director – Finance and Administration.

#### Additional Guidance

Office of the AUASB'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 AUASB 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: Regulation 16A

## 7.2 Audit Committee

### Instructions

1. An Audit Committee must be established and maintained by the Chairman or an official 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 AUASB;
- b) the review of all audit reports involving matters of concern to senior management of the Office of the AUASB, including the identification and dissemination of good practices;
- 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 AUASB;
- d) as far as practicable, the coordination of audit programs conducted by internal auditors and the programs conducted by the Auditor-General;
- e) the provision of advice to the Chairman on the preparation and review of financial statements of the Office of the AUASB; and
- 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 AUASB'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 AUASB'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 notification 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.

## **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 AUASB official, delegated by the Chairman, may approve the payment of a monetary claim (refer to AUASB 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.

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 AUASB's 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 AUASB 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 AUASB's Physical Security Policy.
4. Officials must be familiar with and comply with the requirements of the Office of the AUASB's Personnel Security Policy.

### ***Additional Guidance***

The Office of the AUASB's 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 AUASB's information and systems.

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

The Office of the AUASB's 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 AUASB in meeting this requirement.

This section includes:

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

#### 8.1 Compliance with the AUASB financial framework

##### Instructions

1. All officials of the AUASB must comply with all requirements of the AUASB 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).

#### 8.2 Reporting financial management compliance breaches

##### Instructions

1. All breaches of the AUASB financial framework must be reported to the Chairman or Executive Director 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 AUASB 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 AUASB.

### 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 AUASB to pay for any damage the AUASB 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 AUASB, other than the Executive Director or 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 Executive Director or the Director – Finance and Administration.



## 9.2 Indemnities

### Instructions

1. Before considering any spending proposal, spending delegates in the AUASB 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 authorisation (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 Authorisation/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 Executive Director or Director – Finance and Administration.

### *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 AUASB CEIs

FMA Act 1997		OFFICE OF THE AUASB CEIs	
Section	Title	CEI	Title
<b>PART 1: Preliminary</b>			
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	
<b>PART 2: General provisions about definitions and offences</b>			
5	Definitions		Definitions are scattered throughout CEI's
6	Notional payments and receipts by Agencies	N/A	
<b>PART 3: Collection, custody etc. of public money</b>			
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 public money by outsiders	CEI 1	Collection and Custody of Public Money
13	Money not to be withdrawn from official account without	CEI 1	Collection and Custody of Public

FMA Act 1997		OFFICE OF THE AUASB CEIs	
	authority		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
<b>PART 4: Accounting, appropriations and payments</b>			
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
28	Repayments by the Commonwealth	CEI 4	Control and Management of Public Property

FMA Act 1997		OFFICE OF THE AUASB CEIs	
DIVISION 3: Appropriations			
30	Repayments by 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
35	Finance Minister may approve payments pending probate etc.	CEI 6	Miscellaneous
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			
40	Custody etc. of securities	CEI 1	Collection and Custody of Public Money

<b>FMA Act 1997</b>		<b>OFFICE OF THE AUASB CEIs</b>	
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
<b>PART 7: Special responsibilities of Chief Executives</b>			
44	Promoting efficient, effective, ethical and economical use 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 transferred		
52	Chief Executive's instructions	All CEIs	
53	Chief Executive may delegate		Financial Delegations

FMA Act 1997		OFFICE OF THE AUASB CEIs	
	powers		
<b>PART 8: Reporting and audit</b>			
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
<b>PART 9: Miscellaneous</b>			
58	Modifications of Act for intelligence or security agency or prescribed law enforcement agency		
60	Misuse of Commonwealth credit card		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 AUASB CEIs	
Section	Section and Title	Section	Title / Content
<b>PART 1: Preliminary</b>			
1	Name of regulations		
2	Commencement		
3	Definitions		
3A	Meaning of <i>grant</i>		
<b>PART 2: Agencies</b>			
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		
<b>PART 3: Powers of Chief Executives</b>			
6	Chief Executive's Instructions (Act, s 52)	All CEIs	
<b>PART 4: Commitments to spend public money</b>			
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
9	Approval of spending	CEI 5	Spending Public Money



FMA Regulations		OFFICE OF THE AUASB CEIs	
	proposals - principles		
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
<b>PART 5: Relevant Agency receipts</b>			
15	Relevant Agency receipts (Act s 31)		
<b>PART 5A: Protection of public money and public property</b>			
16A	Guidelines on fraud	CEI 7	Special Responsibilities of Chief Executives
<b>PART 6: Banking of public money etc</b>			
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)		
20	Custody of securities (Act, s 40)		
<b>PART 7: Borrowing and investment</b>			

FMA Regulations		OFFICE OF THE AUASB CEIs	
21	Credit cards (Act, s 38, 60)	CEI 3	Investment and Borrowing
22	Investment of public money (Act s 39)	CEI 3	Investment and Borrowing
<b>PART 7A: Reporting and audit</b>			
22A	Preparation of annual financial statements by Finance Minister (Act, s 55)	CEI 7	Special Responsibilities of Chief Executives
22B	Audit of Finance Minister's annual financial statements (Act, s 56)		
22C	Terms of reference of audit committees (Act, s 46)	CEI 7	Special Responsibilities of Chief Executives
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<b>PART 8: Found property</b>			
23	Disposal of property found on Commonwealth premises etc (Act s 41)	CEI 4	Control and Management of Public Property
<b>PART 8A: Delegations and instruments</b>			
24	Finance Minister may delegate powers		
26	Chief Executive may delegate powers		Financial Delegations
26A	Operation of instruments		

<b>FMA Regulations</b>		<b>OFFICE OF THE AUASB CEIs</b>	
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<b>PART 9: Modified operation of Act and relevant regulations</b>			
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30	Finance Minister may approve payments pending probate etc	CEI 6	Miscellaneous
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31	Application of Part 11		
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