

Queensland



Subordinate Legislation 2002 No. 1

Financial Administration and Audit Act 1977

FINANCIAL MANAGEMENT AMENDMENT STANDARD (No. 1) 2001

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1 Short title

This standard may be cited as the *Financial Management Amendment Standard (No. 1) 2001*.

2 Standard amended

This standard amends the *Financial Management Standard 1997*.

3 Amendment of commentaries

The commentaries in the *Financial Management Standard 1997* are amended as stated in the schedule.

4 Replacement of s 9 (Special application provision for pt 4)

Section 9—

omit, insert—

‘9 Special application provision for pt 4

‘Section 63 does not apply to government owned corporations or the auditor-general.¹’.

5 Amendment of s 15 (Purpose)

Section 15(1)(b), ‘information systems’—

omit, insert—

‘ICT resources’.

6 Amendment of s 16 (Relationship of strategic plan to other plans)

(1) Section 16, ‘information systems’—

omit, insert—

‘ICT resources’.

¹ Section 63 (Elements of systems for evaluating achievement of agency’s goals)

(2) Section 16(3), ‘section 25(2)’—
omit, insert—
‘section 25(3)’.

7 Amendment of s 17 (Responsibility for strategic plan and operational plan)

Section 17(4), ‘policy priorities’—
omit, insert—
‘social and fiscal objectives’.

8 Amendment of s 18 (Elements of strategic plan)

(1) Section 18(1)(c)—
omit, insert—
‘(c) identifying and analysing the potential impact of key issues on—
(i) the agency’s operations; and
(ii) achieving the Government’s social and fiscal objectives;
and’.

(2) Section 18(1)(d), ‘policy priorities’—
omit, insert—
‘social and fiscal objectives’.

(3) Section 18(1)(e)—
renumber as section 18(1)(f).

(4) Section 18(1)—
insert—
‘(e) stating the ways in which the agency intends to—
(i) achieve its goals and outputs; and
(ii) assist in achieving the Government’s social and fiscal
objectives; and’.

(5) Section 18(1)(f), as renumbered, from ‘achieving’ to ‘each of’—
omit, insert—
‘achieving’.

9 Amendment of pt 2, div 3 hdg (Strategic planning for information systems)

Part 2, division 3, heading, ‘*information systems*’—
omit, insert—
‘*ICT resources*’.

10 Amendment of s 22 (Responsibility for strategic planning for information systems)

(1) Section 22, heading ‘**information systems**’—
omit, insert—
‘**ICT resources**’.

(2) Section 22(1), ‘information systems’—
omit, insert—
‘ICT resources’.

(3) Section 22(2) and (3)—
omit, insert—

‘(2) The plan must—

- (a) be consistent with the mandatory principles of each information standard; and
- (b) cover a timeframe of at least 4 years.

‘(3) If an information standard states a period in which a mandatory principle of the standard must be applied, the plan must provide for applying the principle—

- (a) in the period; or
- (b) if the results of a risk assessment indicate the principle is to be applied in another period—in the other period.

‘(4) If an information standard does not state a period in which a mandatory principle of the standard must be applied, the plan must provide for applying the principle in a period that is consistent with the results of a risk assessment about when the principle is to be applied.’

11 Amendment of s 23 (Elements of information systems strategic plan)

(1) Section 23, heading, ‘**information systems**’—

omit, insert—

‘**ICT resources**’.

(2) Section 23(1)—

omit, insert—

‘(1) Each ICT resources strategic plan for an agency must provide for the following—

- (a) stating the timeframe to be covered by the plan;
- (b) stating the goals of the plan and how the goals assist in—
 - (i) delivering the agency’s outputs; and
 - (ii) achieving the Government’s social and fiscal objectives;
- (c) stating how the agency intends to implement the actions mentioned in the document called ‘A Strategy To Promote E-Commerce In Queensland - e-commerce@smartstate.au - Working with the World’, as issued by the Department of Innovation and Information Economy, Sport and Recreation Queensland;
- (d) evaluating the needs of the agency and its clients for the agency’s existing ICT resources and any additional ICT resources;
- (e) stating how the agency intends to meet and fund its ICT resources needs;
- (f) evaluating the effect on the agency’s operations of relevant external factors, including, for example, changes to the agency’s business environment.’

(3) Section 23(2) and (3), ‘information systems’—
omit, insert—
‘ICT resources’.

12 Amendment of s 25 (Elements of assets strategic plan)

(1) Sections 25(1), (2) and (3)—
renumber as sections 25(2), (3) and (4).

(2) Section 25—
insert—

‘(1) In developing an assets strategic plan for an agency, the accountable officer or statutory body must have regard to the following documents—

- (a) ‘Capital Investment Strategic Plan Guidelines’;²
- (b) ‘Maintenance Management Framework’, as issued by the Department of Public Works.³’.

(3) Section 25(2)(d), as renumbered—
omit, insert—

- ‘(d) identifying and developing strategies for—
- (i) achieving and maintaining the appropriate level of operational performance for assets; and
 - (ii) maintaining physical assets in an appropriate condition; and’.

2 See schedule 1 (Documents made by the Treasurer or published by the treasury department and to which section 46L(2) of the Act applies) for details about this document.

3 A copy of this document may be obtained during business hours from the office of the Department of Public Works at 80 George Street, Brisbane or from that department’s website at <http://www.build.qld.gov.au>

13 Amendment of s 38 (Responsibility for expense management)

(1) Section 38(2)(a)—

omit, insert—

‘(a) The Queensland Ministerial Handbook, as published by the Department of the Premier and Cabinet;’⁴.

(2) Section 38(2)(b), ‘Commissioner.’—

omit, insert—

‘Commissioner.’⁵.

(3) Section 38(3), ‘Works,’—

omit, insert—

‘Works,’⁶.

14 Amendment of s 40 (Credit card facilities)

Section 40(3)(f), after ‘Queensland’—

insert—

‘Government’.

15 Amendment of s 41 (Register of special payments)

(1) Section 41, heading, ‘**Register**’—

omit, insert—

‘**Record**’.

4 A copy of this document may be obtained during business hours from the Department of the Premier and Cabinet at 100 George Street, Brisbane or from that department’s website at <http://www.premiers.qld.gov.au>

5 A copy of this document may be obtained during business hours from the Office of the Public Service Commissioner at 300 Ann Street, Brisbane or from that office’s website at <http://www.opsme.qld.gov.au>

6 A copy of this document may be obtained during business hours from the office of the Department of Public Works at 80 George Street, Brisbane or from that department’s website at <http://www.qgm.qld.gov.au>

(2) Section 41(1), from ‘register’ to ‘payments’, second mention—
omit, insert—

‘record of the agency’s special payments⁷ of more than \$5 000 (“**prescribed special payments**”), including the following details about each payment’.

(3) Section 41(2), ‘An agency’s register of special payments’
omit, insert—

‘The record’.

16 Amendment of s 42 (Action to be taken when losses are identified)

(1) Section 42(1), ‘loss’, first mention—
omit, insert—

‘material loss’.

(2) Section 42(1)(c), ‘recommend’—
omit, insert—

‘take’.

(3) Section 42(2), ‘the loss’, first mention—
omit, insert—

‘any loss’.

17 Amendment of s 43 (Register of material losses)

(1) Section 43, heading, ‘**Register**’—
omit, insert—

‘**Record**’.

(2) Section 43(1), ‘register of material losses’—
omit, insert—

‘a record of each material loss’.

⁷ Schedule 3 (Dictionary) of the Act—

“**special payments**” includes ex gratia and extra-contractual expenditure.

(2) Section 43(2), ‘An agency’s register’—

omit, insert—

‘The record’.

(3) Section 43(3)—

omit.

18 Amendment of s 44 (Responsibility for asset management)

(1) Section 44(2)(b), from ‘and’—

omit.

(2) Section 44(2)(c), ‘methods’—

omit, insert—

‘rates’.

(3) Section 44(2)(d), after ‘agency’s’—

omit, insert—

‘assets maintenance system for physical assets.’.

19 Amendment of s 45 (Elements of systems for asset management)

(1) Section 45(1)—

omit, insert—

‘(1) An agency’s systems for asset management must provide for—

(a) identifying, acquiring, maintaining, disposing of, valuing, recording and writing-off assets; and

(b) dealing with assets held in trust separately from other assets.’.

(2) Section 45(2)(c), ‘\$20 000’—

omit, insert—

‘\$10 000’.

(3) Section 45(4)—

insert—

‘(e) checking for compliance, and taking action to remedy any noncompliance, with the agency’s assets maintenance system.’.

(4) Section 45(6)—

omit, insert—

‘(6) Valuing assets includes—

- (a) valuing and revaluing assets under the prescribed accounting standards; and
- (b) accurately and regularly appraising the useful life of assets to the agency.’.

(5) Section 45(7)—

omit, insert—

‘(7) In valuing or revaluing an agency’s assets, the accountable officer or statutory body must ensure the valuation or revaluation is consistent with the document called ‘Non-Current Asset Accounting Guidelines for the Queensland Public Sector’.⁸

‘(7A) The accountable officer or statutory body must comprehensively revalue material assets at least once every 5 years, and otherwise revalue the assets at least annually between comprehensive revaluations.’.

(6) Section 45(8)(a), after ‘depreciation’—

insert—

‘based on the asset’s useful life to the agency’.

(7) Section 45(10)—

omit, insert—

‘(10) In this section—

“**material assets**” means those assets in a class, the combined value of which forms a material proportion of the total value of all the assets in the class’.

8 See schedule 1 (Documents made by the Treasurer or published by the treasury department and to which section 46L(2) of the Act applies) for details about this document.

20 Omission of s 46 (Compliance with Government Land Management System Procedural Manual)

Section 46—

omit.

21 Amendment of s 47 (Evaluations of physical asset investments)

(1) Section 47, heading—

omit, insert—

‘47 Evaluations of acquisitions, maintenance and improvements of physical assets’.

(2) Section 47(1), ‘an investment in’—

omit, insert—

‘acquiring, maintaining or improving’.

(3) Section 47(2)—

omit, insert—

‘(2) Before acquiring, maintaining or improving the asset, the accountable officer or statutory body must prepare a written evaluation about the acquisition, maintenance or improvement.’.

(4) Section 47(3), ‘investment’, first mention—

omit, insert—

‘acquisition, maintenance or improvement of the asset’.

(5) Section 47(3)(a), ‘investment’—

omit.

(6) Section 47(3)(c)—

omit, insert—

‘(c) assess the priority of acquiring, maintaining or improving the asset as opposed to acquiring, maintaining or improving other physical assets, for which the cost is \$1 000 000 or more; and’.

(7) Section 47(4)(b)(ii), ‘investment’—

omit, insert—

‘cost of acquiring, maintaining or improving the asset’.

22 Omission of s 49A (Disposal of assets to corporatised entities)

Section 49A—

omit.

23 Amendment of s 54 (Elements of systems for liability management)

Section 54(7)(b), ‘and recording contingent liabilities or’—

omit, insert—

‘, recording and reporting contingent liabilities and’.

24 Amendment of s 56 (Elements of systems for financial information management)

Section 56(2)(a)—

omit, insert—

‘(a) apply the mandatory principles of the information standards;
and’.

25 Amendment of s 60 (Elements of systems for information about financial performance)

Section 60(d), ‘debtors’—

omit, insert—

‘receivables’.

26 Amendment of s 62 (Reporting about performance)

Section 62, from ‘given’—

omit, insert—

‘given to—

- (a) the accountable officer or statutory body—
 - (i) at least once every 3 months; and
 - (ii) when the accountable officer or statutory body asks for the information; and
- (b) the appropriate Minister—
 - (i) at least annually; and
 - (ii) when the Minister asks for the information.’.

27 Amendment of s 65 (What is corporate management)

(1) Section 65(2) to (4)—

renumber as section 65(3) to (5).

(2) Section 65—

insert—

‘(2) Corporate management is based on principles of openness, integrity and accountability.’.

28 Amendment of s 66 (Purpose of part)

Section 66(f), ‘reportable’—

omit, insert—

‘making, receiving and reporting’.

29 Amendment of s 67 (Responsibility for internal control structure)

(1) Section 67(2)—

renumber as section 67(3).

(2) Section 67—

insert—

‘(2) In establishing the internal control structure, the accountable officer or statutory body must have regard to the document called ‘Cost-Effective Internal Control-Underpinning Agency Performance’.⁹’.

30 Amendment of s 77 (Charter of internal audit function)

Section 77(2)(a), from ‘standards’ to ‘Practising Accountants’—

omit, insert—

‘auditing standards of CPA Australia’.

31 Amendment of s 78 (Planning by internal audit function)

(1) Section 78(1)(b)—

omit, insert—

‘(b) an annual audit plan, having regard to—

- (i) the responsibilities of the accountable officer or statutory body under the prescribed requirements; and
- (ii) a risk assessment for each area of the agency’s operations; and’.

(2) Section 78—

insert—

‘(4) An agency’s annual audit plan must provide for reviewing the agency’s annual financial statements.’.

32 Amendment of s 82 (Audit committees)

(1) Section 82(3)—

renumber as section 82(4).

(2) Section 82—

insert—

9 See schedule 1 (Documents made by the Treasurer or published by the treasury department and to which section 46L(2) of the Act applies) for details about this document.

‘(3) In establishing or maintaining an audit committee, the accountable officer or statutory body must have regard to the document called, ‘Audit Committee Guidelines - Improving Accountability and Performance’.¹⁰’.

(3) Section 82—

insert—

‘(5) Without limiting subsection (2)(b), it is a responsibility of an audit committee to give the accountable officer or statutory body, as soon as practicable after the end of each financial year, a report about the committee’s operations for the year.’.

33 Replacement of s 86 (Insurance contracts)

Section 86—

omit, insert—

‘86 Insurance contracts

‘(1) An accountable officer may enter into a contract of insurance with an insurer only if the accountable officer obtains the under-Treasurer’s approval for entering into the contract.

‘(2) Subsection (1) does not apply if—

- (a) in entering into the contract, the accountable officer is exercising a power or performing a duty as a trustee; or
- (b) the contract is for—
 - (i) a compulsory third-party insurance policy under the *Motor Accident Insurance Act 1994*; or
 - (ii) accident insurance under the *WorkCover Queensland Act 1996*; or
 - (iii) insurance against liability arising out of the agency’s property in a motor vehicle or the use of a motor vehicle by an officer of the agency; or
 - (iv) insurance against liability arising out of travel undertaken by an officer of the agency.’.

10 See schedule 1 (Documents made by the Treasurer or published by the treasury department and to which section 46L(2) of the Act applies) for details about this document.

34 Replacement of ss 91–93

Sections 91 to 93—

omit, insert—

‘91 Meaning of “reportable gift”

‘(1) A “reportable gift” is a gift—

- (a) made by an agency; or
- (b) received by an officer of a department or a member or officer of a statutory body, other than a gift made by a personal friend or family member, in a purely personal capacity.

‘(2) A gift is not a reportable gift unless its current market value exceeds \$250 (the “reportable gift threshold”).

‘(3) However, if the officer or member receives more than 1 gift from the same donor in a financial year, and the current market value of all gifts exceeds the reportable gift threshold, all the gifts are reportable gifts.

‘(4) Also, if an agency makes more than 1 gift to the same recipient in a financial year, and the current market value of all gifts exceeds the reportable gift threshold, all the gifts are reportable gifts.

‘(5) Subsection (2) does not limit the operation of the code of conduct of a department or statutory body to the extent the code provides for reporting a gift of a value less than the reportable gift threshold.

‘92 Reportable gift to be dealt with as an asset

‘A reportable gift received by the officer or member must be dealt with as the agency’s asset.

‘92A Reportable gift to be declared and accounted for

‘(1) The officer or member who receives a reportable gift must complete a reportable gift declaration—

- (a) for a gift that is a reportable gift because of section 91(3)—within 14 days after the gift becomes a reportable gift; or
- (b) for another reportable gift—within 14 days after receiving the gift.

‘(2) Also, the officer or member must—

- (a) give the gift to the agency; or
- (b) pay to the agency—
 - (i) for a gift that is a reportable gift because of section 91(3)—an amount equal to the difference between the total current market value of the gifts that are reportable gifts because of section 91(3) and the reportable gift threshold; or
 - (ii) for another reportable gift—an amount equal to the difference between the current market value of the gift and the reportable gift threshold.

‘(3) Subsection (1) does not limit the operation of the code of conduct of a department or statutory body to the extent the code provides for reporting the receipt of a gift within a period less than 14 days.

‘93 Register about reportable gifts

‘(1) Each accountable officer of a department, or statutory body, must keep a register of reportable gifts—

- (a) made by the agency; and
- (b) received by an officer or member of the agency.

‘(2) The register must include each of the following—

- (a) the date the reportable gift was made or received;
- (b) the persons involved in making or receiving the gift;
- (c) a description of the gift;
- (d) the approval given for making the gift, if relevant;
- (e) for gifts received by an officer or member of the agency—whether the officer or member intends to give the gift to the agency or keep it;
- (f) if the officer or member gives the gift to the agency—
 - (i) the date the gift was given; and
 - (ii) the present location of the gift;
- (g) if the officer or member keeps the gift—

- (i) the estimated current market value of the gift and the basis, if any, for the estimate; and
- (ii) the date and amount of the payment, made under section 92A(2)(b), for the gift.’.

35 Amendment of s 95 (Content of annual report)

(1) Section 95(1)(a)(iii), ‘financial or social goals’—

omit, insert—

‘goals and outputs’.

(2) Section 95(1), after paragraph (e)—

insert—

‘(ea) information about overseas travel undertaken by the agency’s officers and, for a statutory body, members of the body, including, for example—

- (i) the names of, and the offices or positions held by, the officers or members; and
- (ii) the destination, purpose and cost of the travel;

(eb) information about the agency’s expenditure on each category of consultancies, including a description of the category;’.

(3) Section 95(1)(f)(iv) and (vi)—

omit.

(4) Section 95(1)(f)(v) and (vii)—

renumber as section 95(1)(f)(iv) and (v).

(5) Section 95(1)(g), from ‘outputs’—

omit, insert—

‘outputs for the year, including details about the agency’s actual performance in relation to its goals and outputs measured using the performance measures in the agency’s strategic plan;’.

(6) Section 95(1)(i)—

renumber as section 95(1)(l).

(7) Section 95(1)—

insert—

- ‘(i) information about how efficiently and effectively the agency has carried out its operations, including a review of the agency’s progress in benchmarking and achieving best practice and cost-effectiveness in carrying out its operations;
- (j) a summary of the agency’s systems for obtaining information about financial and operational performance;
- (k) details about the name, membership and activities of any committees established for the agency’s risk management, including, for example, the agency’s audit committee and risk management committee;’.

(8) Section 95(2), ‘(f)(iv) and (vi)’—

omit, insert—

‘(ea), (eb)’.

36 Amendment of s 97 (Requirements for annual financial statements of departments)

(1) Section 97(1)(a), before ‘accounting standards’—

insert—

‘prescribed’.

(2) Section 97(1)(b), from ‘called’—

omit, insert—

‘called ‘Minimum Reporting Requirements for Departmental Financial Statements 2000-01’.¹¹’.

(3) Section 97(2), from ‘entity’, second mention—

omit, insert—

‘entity under the prescribed accounting standards stated in schedule 3, to the extent the standards apply to the entity.’.

(4) Section 97(4) and (5)—

¹¹ See schedule 1 (Documents made by the Treasurer or published by the treasury department and to which section 46L(2) of the Act applies) for details about this document.

omit, insert—

‘(4) The accountable officer must ensure the financial statements for each departmental reporting entity are included in the department’s annual report.’.

37 Replacement of s 98 (Requirements for annual financial statements of statutory bodies)

Section 98—

omit, insert—

‘98 Requirements for annual financial statements of statutory bodies

‘(1) A statutory body must prepare its annual financial statements under the prescribed accounting standards stated in schedule 3, to the extent the standards apply to the body.

‘(2) The annual financial statements must include details of the total remuneration paid to each member of the body.

‘(3) In this section—

“**remuneration**” includes—

- (a) salary, fees and commissions; and
- (b) contributions to members’ superannuation and other benefits received by members.’.

‘98A Other requirements for annual financial statements of agencies

‘An agency’s financial statements must disclose the following—

- (a) the classes of prescribed special payments made by the agency and the total amount of the payments for each class;
- (b) the classes of material loss and the total amount of the loss for each class.’.

38 Omission of s 99 (Use of forms in schedules 4 and 5 and statements in forms)

Section 99—

omit.

39 Replacement of sch 1 (Documents made by the Treasurer or published by the Treasury Department and to which section 46L(2) of the Act applies)

Schedule 1—

omit, insert—

‘SCHEDULE 1

**‘DOCUMENTS MADE BY THE TREASURER OR
PUBLISHED BY THE TREASURY DEPARTMENT AND
TO WHICH SECTION 46L(2) OF THE ACT APPLIES**

section 14(3)

1. ‘Audit Committee Guidelines - Improving Accountability and Performance’, as published by the treasury department in January 2000.
2. ‘Capital Investment Strategic Plan Guidelines’, as published by the treasury department in November 2000.
3. ‘Client Service Standards Policy and Guidelines’, as published by the treasury department in December 1995.
4. ‘Code of Practice for Government Owned Corporations’ Financial Arrangements’, as published by the treasury department in March 1999.¹²
5. ‘Commercialisation of Government Service Functions in Queensland’, as tabled in the Legislative Assembly on 23 November 1994.
6. ‘Cost-Effective Internal Control-Underpinning Agency Performance’, as published by the treasury department in November 1997.

12 A copy of this document may be obtained during business hours from the Office of Government Owned Corporations at 100 George Street, Brisbane or from the Office’s website at <http://www.ogoc.qld.gov.au>

7. 'Full Cost Pricing Policy', as published by the Treasurer in May 1997.
8. 'Leasing in the Queensland Public Sector—Policy Guidelines', as published by the treasury department in August 1998.
9. 'Minimum Reporting Requirements for Departmental Financial Statements 2000-01', as made by the Treasurer in April 2001.
10. 'Non-Current Asset Accounting Guidelines for the Queensland Public Sector', as published by the treasury department in May 2001.
11. 'Overdraft Facilities—Operational Guidelines for the Public Sector', as published by the treasury department in March 1998.
12. 'Project Evaluation Guidelines', as published by the treasury department in March 1997.
13. 'Treasurer's Guidelines for the use of the Queensland Government Corporate Purchasing Card', as made by the Treasurer in May 2001.¹³

40 Amendment of sch 2 (System of information management)

(1) Schedule 2, items 3, 4 and 5—

renumber as items 4, 5 and 6.

(2) Schedule 2—

insert—

'3. 6 years after the financial year to which the following financial information relates—

- time and wages records.'

(3) Schedule 2, item 5 as renumbered, ', bank statements and time sheets'—

omit, insert—

'and bank statements'.

13 Copies of the documents mentioned in items 1 to 3 and 5 to 13 may be obtained during business hours from the office of the Treasury Department at 100 George Street, Brisbane or from the department's website at <http://www.treasury.qld.gov.au>

41 Amendment of sch 3 (Prescribed accounting standards)

(1) Schedule 3, part 1, entry for ‘SAC2’, ‘Objectives’—

omit, insert—

‘Objective’.

(2) Schedule 3, part 2—

omit, insert—

‘PART 2—AUSTRALIAN ACCOUNTING STANDARDS

‘AAS 1	Statement of Financial Performance
AAS 2	Inventories
AAS 3	Income Taxes
AAS 4	Depreciation
AAS 5	Materiality
AAS 6	Accounting Policies
AAS 7	Accounting for the Extractive Industries
AAS 8	Events Occurring After Reporting Date
AAS 10	Recoverable Amount of Non-Current Assets
AAS 11	Construction Contracts
AAS 13	Accounting for Research and Development Costs
AAS 14	Accounting for Investments in Associates
AAS 15	Revenue
AAS 17	Leases
AAS 18	Accounting for Goodwill
AAS 19	Accounting for Interests in Joint Ventures
AAS 20A	Foreign Currency Translation
AAS 21	Acquisitions of Assets

AAS 23	Set-off and Extinguishment of Debt
AAS 24	Consolidated Financial Reports
AAS 25	Financial Reporting by Superannuation Plans
AAS 26	Financial Reporting of General Insurance Activities
AAS 28	Statement of Cash Flows
AAS 29	Financial Reporting by Government Departments
AAS 29A	Amendments to the Transitional Provisions in AAS 29
AAS 30	Accounting for Employee Entitlements
AAS 31	Financial Reporting by Governments
AAS 31A	Amendments to the Transitional Provisions in AAS 31
AAS 32	Specific Disclosures by Financial Institutions
AAS 33	Presentation and Disclosure of Financial Instruments
AAS 34	Borrowing Costs
AAS 35	Self-Generating and Regenerating Assets
AAS 35A	Amendments to AAS 35
AAS 36	Statement of Financial Position
AAS 37	Financial Report Presentation and Disclosures
AAS 38	Revaluation of Non-Current Assets
AASB 1005	Segment Reporting’.

(3) Schedule 3, part 3—

insert—

‘Abstract 27	Designation as Hedges (Sold) Options
Abstract 28	Consolidation—Special Purpose Entities
Abstract 29	Early Termination of Interest Rate Swaps

- Abstract 30 Depreciation of Long-lived Physical Assets, including Infrastructure Assets: Condition-Based Depreciation and Other Related Methods
- Abstract 31 Accounting for the Goods and Services Tax (GST)
- Abstract 32 Designation as Hedges—Rollover Strategies
- Abstract 33 Hedges of Anticipated Purchases and Sales
- Abstract 34 Acquisitions and Goodwill—First Time Application of Accounting Standards
- Abstract 36 Non-Monetary Contributions Establishing a Joint Venture Entity
- Abstract 37 Accounting for Website Costs
- Abstract 38 Contributions by Owners Made to Wholly Owned Public Sector Entities
- Abstract 39 Effect of Tax Consolidation Proposals on Deferred Tax Balances
- Abstract 40 Non-Reciprocal Transfers within an Economic Entity for Monetary or No Consideration
- Abstract 41 Fair Value of Equity Instruments Issued as Purchase Consideration’.

42 Omission of schs 4 and 5

Schedules 4 and 5—

omit.

43 Amendment of sch 6 (Dictionary)

(1) Schedule 6, definitions “Australian Accounting Standards” or “AAS”, “deprival value principle”, “Government’s policy priorities”, “information standards” and “information systems strategic plan”—

omit.

(2) Schedule 6—

insert—

‘ **“Australian Accounting Standards”** or **“AAS”** means the Australian Accounting Standards issued jointly by or for the National Councils of CPA Australia and The Institute of Chartered Accountants in Australia.¹⁴

“CPA Australia” means CPA Australia ACN 008 392 452.

“Government’s social and fiscal objectives” means the social and fiscal objectives stated in the charter of social and fiscal responsibility for the State.¹⁵

“ICT resources”, of an agency, means the agency’s information and communication technology resources.

“ICT resources strategic plan”, of an agency, means the plan developed and implemented under section 22.

“information and communication technology resources”—

1. “Information and communication technology resources”, for an agency, means the resources the agency needs to meet the informational requirements of the agency and its clients, and carry out the agency’s operational responsibilities.
2. For item 1, resources includes the following—
 - (a) information obtained, produced or supplied by the agency;
 - (b) the information systems of the agency;
 - (c) equipment or facilities that support the agency’s information systems, including, for example, communication equipment or software;
 - (d) the agency’s human resources.

“information standard” means an information standard issued by—

- (a) the Information and Planning Board of the Department of the Premier, Economic and Trade Development before 1 March 1996; or

14 AAS may appear with a number and a title, for example, AAS 2—Inventories.

15 Part 1A of the Act provides for the Treasurer to prepare and table a charter of social and fiscal responsibility for the State.

- (b) the Information Planning Branch of the Department of the Premier and Cabinet; or
- (c) the Department of Communication and Information, Local Government and Planning before 25 February 2000; or
- (d) the Department of Communication and Information, Local Government, Planning and Sport between 25 February 2000 and 21 February 2001; or
- (e) the Department of Innovation and Information Economy, Sport and Recreation Queensland.¹⁶

“mandatory principles”, of an information standard, means the principles stated in the information standard to be the mandatory principles of the standard.

“material loss”, for property of an agency, means—

- (a) if the property is money, a loss of more than \$500; or
- (b) for other property, a loss valued by the accountable officer or statutory body at more than \$500.

“prescribed special payments” see section 41(1).

“reportable gift threshold” see section 91.

“risk management committee” means a risk management committee established under section 85.’.

(3) Schedule 6, definition “plans”, ‘information systems’—

omit, insert—

‘ICT resources’.

(4) Schedule 6, definition “Statements of Accounting Concepts”, ‘the Australian Society of Certified Practising Accountants’—

omit, insert—

‘CPA Australia’.

¹⁶ An information standard may appear with a number, for example, Information Standard No. 25.

SCHEDULE**AMENDMENT OF COMMENTARIES**

section 3

- 1 Amendment of commentary after s 10 (Special application provision for pt 5)**
- (1) Commentary after section 10, item 2—
renumber as item 3.
- (2) Commentary after section 10—
insert—
- ‘2. This standard does not apply to company GOC’s because, under the Government Owned Corporations Act 1993, section 128(3), the provisions of the Financial Administration and Audit Act 1997 (other than section 38C and those prescribed by the Government Owned Corporations Act 1993, schedule 3) do not apply to a company GOC.’.
- 2 Amendment of commentary after s 23 (Elements of information systems strategic plan)**
- (1) Commentary after section 23, ‘information systems’—
omit, insert—
‘ICT resources’.
- (2) Commentary after section 23, item 2—
renumber as item 6.
- (3) Commentary after section 23—
insert—
- ‘2. Although agencies are required to apply the mandatory principles of the information standards in developing ICT resources strategic plans, they should also have regard to other ‘best practice’ guidelines issued by the Department of Innovation and Information Economy, Sport and Recreation Queensland, that support the principles.

SCHEDULE (continued)

3. *In deciding the period in which a mandatory principle of an information standard is to be applied, the department administering the standard should consult with each agency that has significant ICT resources and have regard to the agency's capacity to apply the mandatory principle within the period to be stated in the information standard.*
4. *The Government's social and fiscal objectives are stated in the charter of social and fiscal responsibility for the State prepared under part 1A of the Act.*
5. *The Government's e-commerce strategy provides for e-commerce/electronic service delivery plans and is available on the website of the Department of Innovation and Information Economy, Sport and Recreation Queensland, at <http://www.iie.qld.gov.au>.*

3 Omission of commentary after s 28 (Purpose of part)

Commentary after section 28—

omit.

4 Amendment of commentary after s 31 (Elements of systems for revenue management)

Commentary after section 31, item 1, from 'in the accounting' to 'department'—

omit, insert—

'in the 'Accounting Policy Guidelines', published by the treasury department and available on that department's website at <http://www.treasury.qld.gov.au>.'

5 Amendment of commentary after s 37 (Level of charges for certain entities)

Commentary after section 37, item 4—

omit, insert—

- '4. In deciding the full cost of providing goods and services, all relevant overheads should be allocated.'*

SCHEDULE (continued)

6 Amendment of commentary after s 39 (Elements of systems for expense management)

(1) *Commentary after section 39, item 4, 'it provides'—*

omit, insert—

'they provide'.

(2) *Commentary after section 39, item 5, from 'to the accounting' to 'as published'—*

omit, insert—

'to the 'Accounting Policy Guidelines', as published'.

(3) *Commentary after section 39, item 6—*

omit, insert—

'6. Guidance about cost-effective expense management processes for an agency may be found in the document called 'Guidelines for Grant Administration', as published by the treasury department in April 1997. A copy of this document may be obtained from the department's office at 100 George Street, Brisbane or from the department's website at <http://www.treasury.qld.gov.au>'.

7 Insertion of new commentary after s 41 (Register of special payments)

After section 41—

insert—

'Commentary—Record of special payments

In complying with section 41, the following comment should be considered—

1. The classes of special payments include ex-gratia payments, extra-contractual payments, out of court settlements and court ordered damages.'

SCHEDULE (continued)

8 Insertion of new commentary after s 42 (Action to be taken when losses are identified)

After section 42—

insert—

‘Commentary—Action to be taken when losses are identified

In complying with section 42, the following comment should be considered—

1. *If a loss is not material, an agency’s Financial Management Practice Manual should provide for the action to be taken, including, for example, the following—*
 - (a) *whether to investigate the circumstances of the loss;*
 - (b) *the extent of any investigation;*
 - (c) *whether to prepare a report about the loss;*
 - (d) *the action to be taken to obtain reimbursement of the loss;*
 - (e) *when to write-off the loss.’*

9 Amendment of commentary after s 43 (Register of material losses)

(1) Commentary after section 43, ‘Register’—

omit, insert—

‘Record’.

(2) Commentary after section 43, item 1—

omit, insert—

- ‘1. *Losses may result from various causes including theft, writing-off bad debts, unauthorised acts and omissions and wilful destruction. Losses do not include provisions for doubtful debts nor periodic inventory adjustments. Also losses do not include the consequences of events such as floods, bush fires, cyclones or similar events.’*

(3) Commentary after section 43, item 2, from ‘Losses’ to ‘disasters.’—

omit.

SCHEDULE (continued)

10 Amendment of commentary after s 45 (Elements of systems for asset management)

(1) Commentary after section 45, items 6 to 9—
renumber as items 7 to 10.

(2) Commentary after section 45, item 5—
omit, insert—

‘5. The Australian Accounting Standard AAS38 ‘Revaluation of Non-current Assets’ discusses the principle of fair value and offers guidance for the application of the principle to particular cases.

6. The document called ‘Non-Current Asset Accounting Guidelines for the Queensland Public Sector’ sets out the classes of assets required to be revalued using the fair value system. It is not necessary to revalue all assets in a class that are valued using the fair value system. However, accountable officers and statutory bodies should ensure the total value of assets that are not revalued does not form a material proportion of the total value of the assets within the class. Guidance on applying the concept of materiality is contained in AAS 5 ‘Materiality’.’.

(3) Commentary after section 45, item 10 as renumbered, from ‘found in’—

omit, insert—

‘found in the ‘Government Asset Management System’ (“GAMS”) as developed by the Department of Natural Resources and Mines. GAMS may be viewed at the website address, <http://gams.govnet.qld.gov.au>.’.

11 Amendment of commentary after s 48 (Maintenance of assets)

(1) Commentary after section 48, ‘Evaluations of physical asset investments’—

omit, insert—

‘Evaluations of acquisitions, maintenance and improvements of physical assets’.

(2) Commentary after section 48, item 1, from ‘in the accounting’ to ‘department and’—

omit, insert—

‘in the documents called the ‘Accounting Policy Guidelines’ and’.

SCHEDULE (continued)

12 Omission of commentary after s 49A (Disposal of assets to corporatised entities)

Commentary after section 49A—
omit.

13 Amendment of commentary after s 52 (Elements of systems for cash management)

(1) Commentary after section 52, items 2 to 4—
renumber as items 3 to 5.

(2) Commentary after section 52—
insert—

‘2. For restrictions on the investment and lending powers of a body, including a department, see the *Financial Administration and Audit Act 1977*, section 40C(1). Subject to section 40C(2) of that Act, a body, including a department, may operate a deposit and withdrawal account with a financial institution.’.

(3) Commentary after section 52, item 5 as renumbered, from ‘following’—

omit, insert—

‘document called ‘*Cost-Effective Internal Control-Underpinning Agency Performance*’, as published by the treasury department.’.

14 Amendment of commentary after s 54A (Other documents to which accountable officers and statutory bodies must have regard)

Commentary after section 54A, item 1, from ‘the accounting’ to ‘as published’—

omit, insert—

‘the ‘*Accounting Policy Guidelines*’, as published’.

SCHEDULE (continued)

15 Amendment of commentary after s 56 (Elements of systems for financial information management)

(1) Commentary after section 56, item 3—

omit.

(2) Commentary after section 56, items 4 to 6—

renumber as items 3 to 5.

16 Amendment of commentary after s 82 (Audit committees)

(1) Commentary after section 82, item 7 —

omit, insert—

‘7. Guidance on preparing an audit committee’s annual report may be found in the document called ‘Audit Committee Guidelines - Improving Accountability and Performance’, as published by the treasury department.’.

(2) Commentary after section 82 —

insert—

‘9. An agency may have one committee that performs the roles and responsibilities of an audit committee and a risk management committee.’.

17 Amendment of commentary after s 84 (Elements of systems for risk management)

(1) Commentary after section 84, item 4(a), after ‘Management’—

insert—

‘as published by Standards Australia and available at its website at <http://www.standards.com.au>’.

(2) Commentary after section 84, item 4(b)—

omit.

(3) Commentary after section 84, items 4(c) and (d)—

renumber as items 4(b) and (c).

SCHEDULE (continued)

18 Amendment of commentary after s 86 (Insurance contracts)

Commentary after section 86, items 1 and 2—

omit, insert—

- '1. The Queensland Government Insurance Fund ("QGIF") was established on 1 July 2001 to provide insurance cover for most insurable property and liability risks. All agencies have access to QGIF. QGIF can also provide advice to agencies about insurance cover that is not provided by QGIF.'

19 Amendment of commentary after s 96 (Additional requirements for other entities in annual report of agency)

Commentary after section 96, item 2, after 'Cabinet.'—

insert—

'A copy of this document may be inspected at that department's website at <http://www.premiers.qld.gov.au>.'

ENDNOTES

1. Made by the Treasurer on 19 December 2001.
2. Notified in the gazette on 4 January 2002.
3. Laid before the Legislative Assembly on . . .
4. The administering agency is the Treasury Department.

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