

Financial Management Guidelines 2001

Disallowable Instrument 2001 No 345

The Treasurer makes the following guidelines under the *Financial Management Act 1996*, section 67 (Guideline-making power).

Dated 18 December 2001.

TED QUINLAN
Treasurer

Financial Management Guidelines 2001

Disallowable Instrument 2001 No 345

made under the

Financial Management Act 1996

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Part 1 Preliminary

1 Name of guidelines

These guidelines are the *Financial Management Guidelines 2001*.

2 Commencement

These guidelines commence on the day the *Financial Management Amendment Act 2001 (No 3)* commences.

3 Notes

A note included in these guidelines is explanatory and is not part of the guidelines.

Note See *Legislation Act 2001*, s 127 (1), (4) and (5) for the legal status of notes.

4 Definitions

In these guidelines:

commercial paper includes both negotiable and non-negotiable instruments (for example, bearer bonds, bearer debentures and warehouse certificates).

debt instrument—see section 5.

Territory owned corporation—see the *Territory Owned Corporations Act 1990*, section 3 (1).

Territory owned property means—

- (a) property in which the Territory has an interest; or
- (b) the land the Territory occupies.

5 Meaning of *debt instrument*

- (1) In these guidelines, *debt instrument* includes securities and other commercial paper, whether issued in or outside Australia.

Part 1 Preliminary

Section 5

Note **Securities** is defined in the *Financial Management Act 1996*, s 3, as follows:

securities includes stocks, debentures, notes, bonds, promissory notes, bills of exchange, and any other securities approved in writing by the Treasurer.

- (2) In these guidelines, **debt instrument** does not include an instrument issued in Australia by or in relation to an entity that is rated by Standard & Poor's (Australia) Pty. Ltd. as less than—
- (a) short-term A-2; or
 - (b) long-term AA-.

Part 2 Financial statements

6 Financial statements for Territory budgets—Act, s 11 (1)

The following financial statements are required:

- (a) a statement of financial performance estimated for the Territory for the year;
- (b) a statement of financial position of the Territory at the beginning of the year or, if the proposed budget is presented to the Legislative Assembly before the beginning of the year, a statement of financial position that the Territory is expected to have at the beginning of the year;
- (c) a statement of financial position that it is planned that the Territory will have at the end of the year;
- (d) a statement of the cash flows of the Territory estimated for the year.

7 Financial statements for departmental budgets—Act, s 12 (1) (a)

(1) The following financial statements are required:

- (a) a statement of financial performance estimated for the
- (b) a statement of financial position of the department at the beginning of the year or, if the proposed budget is presented to the Legislative Assembly before the beginning of the year, a statement of financial position that the department is expected to have at the beginning of the year;
- (c) a statement of financial position that it is planned that the department will have at the end of the year;
- (d) a statement of the cash flows of the department estimated for the year.

- (2) A statement of financial performance mentioned in subsection (1) (a) must include—
- (a) a statement of financial performance estimated for each appropriation unit proposed for the department; and
 - (b) a statement of financial performance estimated for each class of outputs which it is proposed that the department is to provide during the year.
- (3) Subsection (2) (b) does not apply to the Legislative Assembly secretariat.

8 Financial statements for public trading enterprise budgets—Act, s 12A (1)

The following financial statements for each public trading enterprise are required:

- (a) a statement of financial performance for the public trading enterprise estimated for the year;
- (b) a statement of financial position of the public trading enterprise at the beginning of the year or, if the proposed budget is presented to the Legislative Assembly before the beginning of the year, a statement of financial position that the public trading enterprise is expected to have at the beginning of the year;
- (c) a statement of financial position that it is planned that the public trading enterprise will have at the end of the year;
- (d) a statement of the cash flows of the public trading enterprise estimated for the year.

9 Annual financial statements of the Territory—Act, s 22 (2) (a)

The following financial statements are required:

- (a) a statement of financial performance for the Territory for the year;
- (b) a statement of financial position of the Territory at the end of the year;
- (c) a statement of the cash flows of the Territory for the year;
- (d) a statement of appropriation for the Territory for the year.

10 Periodic financial statements of the Territory—Acts 26 (2)

- (1) The financial statements for the quarter must include the following:
 - (a) a statement of financial performance for the quarter—
 - (i) in relation to the Territory; and
 - (ii) in relation to the general government sector; and
 - (iii) in relation to the public trading enterprise sector;
 - (b) a statement of financial position, at the end of the quarter—
 - (i) of the Territory; and
 - (ii) of the general government sector; and
 - (iii) of the public trading enterprise sector;
 - (c) a statement of cash flows for the quarter—
 - (i) in relation to the Territory; and
 - (ii) in relation to the general government sector; and
 - (iii) in relation to the public trading enterprise sector.
- (2) The financial statements for the period from the beginning of the financial year until the end of the quarter must include the following:
 - (a) a statement of financial performance for the period—
 - (i) in relation to the Territory; and

- (ii) in relation to the general government sector; and
- (iii) in relation to the public trading enterprise sector;
- (b) a statement of cash flows for the period—
 - (i) in relation to the Territory; and
 - (ii) in relation to the general government sector; and
 - (iii) in relation to the public trading enterprise sector.

11 Annual financial statements of departments—Act, s 27 (3) (a)

The following financial statements are required:

- (a) a statement of financial performance for the department for the year;
- (b) a statement of financial position of the department at the end of the year;
- (c) a statement of the cash flows of the department for the year;
- (d) a statement of appropriation for the department for the year.

12 Financial statements for Territory authorities—statements of intent—Act, s 58 (3) (a)

The following financial statements are required:

- (a) a statement of financial performance estimated for the authority for the year;
- (b) a statement of financial position of the authority at the beginning of the year or, if the statement of intent is required to be provided before the beginning of the year, a statement of financial position that the authority is expected to have at the beginning of the year;
- (c) a statement of financial position that it is planned that the authority will have at the end of the year;

- (d) a statement of the cash flows of the authority estimated for the year.

**13 Annual financial statements for Territory authorities—
Act, s 59 (3) (a)**

The following financial statements are required:

- (a) a statement of financial performance for the authority for the year;
- (b) a statement of financial position of the authority at the end of the year;
- (c) a statement of the cash flows of the authority for the year.

**14 Period for provision of financial statements to auditor-
general—Act, s 61 (1)**

The prescribed period is 35 days.

Part 3 Investments

15 Prescribed investments—Act, s 38 (1) (e)

- (1) The following are prescribed investments:
 - (a) a debt instrument;
 - (b) a loan to a Territory owned corporation;
 - (c) an investment in Territory owned property.
- (2) If an investment is proposed to be made in real property under subsection (1) (c), the Treasurer must, in writing—
 - (a) identify the property; and
 - (b) state the details of the proposed investment, including the period, terms and amount of the investment.
- (3) An instrument under subsection (2) is a disallowable instrument.

Note A disallowable instrument must be notified, and presented to the Legislative Assembly, under the *Legislation Act 2001*.
- (4) If an instrument under subsection (2) is disallowed by the Legislative Assembly, the investment to which the instrument relates must not be made.
- (5) An investment mentioned in subsection (2) must not be made until after the last day when the instrument under that subsection relating to the investment may be disallowed under the *Legislation Act 2001*, section 65.

Part 4 Miscellaneous

16 Departments—Act, s 3, def of *department*, par (b)

The following parts of administrative units are prescribed as separate departments:

- (a) ACT Executive;
- (b) ACT Forests;
- (c) ACT Housing;
- (d) ACT Workcover;
- (e) Central Financing Unit;
- (f) InTACT;
- (g) Land and Property;
- (h) Superannuation Unit.

17 Repealed guidelines

repeal

- *Financial Management Guidelines* made on 10 July 2000.
 - *Financial Management Guidelines* made on 21 March 2001.
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Endnote

Notification

- 1 Notified under the *Legislation Act 2001* on 19 December 2001.
(see www.legislation.act.gov.au)