

Australian Capital Territory

# Financial Management Amendment Guidelines 2005 (No 1)

**Disallowable instrument DI2005–50**

made under the

**Financial Management Act 1996, s67 (Guideline-making power)**

## EXPLANATORY STATEMENT

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### Outline

These guidelines are issued in accordance with section 67 of the *Financial Management Act 1996* (the Act). The amendments prescribe the financial statements required for budget papers and periodic and annual reporting from the 2005-06 financial year onwards. The changes ensure that financial statement names are consistent with recently revised accounting standards.

These guidelines amend the *Financial Management Guidelines 2002*.

### Details of the Financial Management Amendment Guidelines 2005 (No 1)

#### Formal Clauses

**Clauses 1, 2 and 3** are formal requirements. They refer to the name of the Guidelines, the commencement date of the Guidelines and declare which guidelines are amended by these guidelines.

#### Prescribed Financial Statements

Recent revisions to the accounting standards alter the financial statements' names and certain terms used in the statements from the 2005-06 financial year. These amendments ensure that the financial statements required under the Act are consistent with the current accounting standards. The financial statement name changes are:

New Statement Name	Current Statement Name
Operating Statement	Statement of Financial Performance
Balance Sheet	Statement of Financial Position
Statement of Changes in Equity	part of the Statement of Financial Performance
Cash Flow Statement	Statement of Cash Flows

**Clause 4** amends the following sections of the financial management guidelines:

- section 6, which prescribes the financial statements required for the proposed budget for the Territory under section 11(1)(e) of the Act;
- section 7, which prescribes the financial statements required for the proposed budget for departments under section 12(1)(a) of the Act; and
- section 8, which prescribes the financial statements required for the proposed budget for public trading enterprises under section 12A(1) of the Act

These amendments ensure that the financial statements required are consistent with the current accounting standards, as outlined above.

**Clause 5** amends the following sections of the financial management guidelines:

- section 8B, which prescribes the information required for the amendment of budgets under section 19F (5) of the Act.
- section 8C, which prescribes the financial statements required for the budget (mid-year) review under section 20B(3)(a) of the Act;
- section 8D, which prescribes the financial statements required for pre-election budget updates under section 20D(3)(a) of the Act;
- section 9, which prescribes the annual financial statements required for the Territory under section 22(2)(a) of the Act;
- section 10, which prescribes the periodic financial statements required for the Territory under section 26(2) of the Act; and
- section 11, which prescribes the annual financial statements required for departments under section 27(3)(a) of the Act.

The amendments to section 8B ensure that the terms used in this section are consistent with the current accounting standards and budgeted financial statements. Under the revised accounting standards, what was previously identified in the financial statements as “total revenue” is now called “total income”. The remaining terms referred to in section 8B (eg expenses, assets, liabilities) are unchanged.

The amendments to the remaining sections (ie section 8C to section 11) ensure that the financial statements required are consistent with the current accounting standards, as outlined above. Clause 5 will commence on 1 July 2005.

**Clause 6** amends section 12 of the financial management guidelines, which prescribes the financial statements required for territory authorities’ statements of intent under section 58(3)(a) of the Act. These amendments ensure that the financial statements required are consistent with the current accounting standards, as outlined above.

**Clause 7** amends section 13 of the financial management guidelines, which prescribes the annual financial statements required for territory authorities under section 59(3)(a) of the Act. These amendments ensure that the financial statements required are consistent with the current accounting standards, as outlined above. This clause will commence on 1 July 2005.

**End**