Australian Capital Territory

Financial Management (Statement of Performance Scrutiny) Guidelines 2016

Disallowable instrument DI2016–122

made under the

Financial Management Act 1996, s133 (Guideline-making power)

EXPLANATORY STATEMENT

Outline

These guidelines are issued in accordance with section 133 of the *Financial Management Act 1996* (the Act).

This instrument, *Financial Management (Statement of Performance Scrutiny) Guidelines 2016* prescribe the information to be included in the statements of performance of directorates and territory authorities and their annual scrutiny by the auditor-general.

This guideline has been amended as follows:

- It updates references to the relevant amended sections in the Act associated with the performance criteria in directorate budgets and territory authority statements of intent*.* This change is associated with the amendment to the Act through the *Financial Management Amendment Act 2015,* incorporating requirements associated with the proposed budget of territory authorities into the statement of intent requirements under section 61 of the Act (with section 12A to apply to only territory-owned corporations). The amendment provides for a single document (statement of intent) therefore removing the duplication between budget statements and statements of intent for territory authorities.

- It clarifies that although the cost and appropriation information is included in the statements of performance, these are not accountability indicators. This is consistent with current practice.

- It allows the statement of performance for 2015-16 (i.e. reporting periods ending 30 June 2016) to include the performance criteria included in the budget and the statement of intent of prescribed authorities (i.e. both statements). The effective date of 'until 15 November 2016' allows adequate time for the statement of performance for 2015-16 to be completed and audited under the existing provisions. This provision is replaced commencing 16 November 2016 with the requirement for the statement of performance

of territory authorities to include the performance criteria in the statement of intent (i.e. the combined statement). The transitional provision allows for a seamless transition to the new requirements following the amendment to the Act through the *Financial Management Amendment Act 2015.*

Details of the Financial Management (Statement of Performance Scrutiny) Guidelines 2016

Clauses 1 and 2 are formal requirements. They refer to the name and the commencement date of the guidelines.

Clause 3 provides that the dictionary at the end of the guidelines is part of the guidelines.

Clause 4 provides that a note in the guidelines is explanatory and not part of the guidelines.

Clause 5 prescribes the performance criteria and other information to be included in the statements of performance of directorates.

Clause 6 prescribes the performance criteria and other information to be included in the statements of performance of territory authorities. This applies to territory authorities until 15 November 2015.

Clause 7 provides for the performance criteria and other information to be included in the statements of performance of territory authorities. This applies to territory authorities effective 16 November 2015. This allows for the replacement of the requirement (under clause 6) for the statement of performance (for 2015-16) to include performance criteria in the budget and the statement of intent (i.e. both documents) with the requirement (under this clause) for the statement of performance (from 2016-17) to include performance criteria in the statement of intent (i.e. the combined document).

Clause 8 revokes the *Financial Management (statement of Performance Scrutiny) Guidelines 2011,* which is replaced by provisions made under this guideline.

Dictionary includes provides definitions of the terms 'budget' and 'prescribed territory authority'. It also includes a note that the *Legislation Act 2001* contains definitions and other provisions relevant to these guidelines.

End