

2000

**THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY**

INSTRUMENT NO. 243 OF 2000

FINANCIAL MANAGEMENT GUIDELINES 2000

EXPLANATORY MEMORANDUM

Circulated by the authority of

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TREASURER**

OUTLINE

These Guidelines replace Financial Management Guidelines previously consulted in accordance with the *Financial Management Act 1996* (the Act).

These Guidelines provide for:

- the repeal of the *Financial Management Guidelines* issued on 3 June 1999 and the *Financial Management Guidelines (Amendment No. 1)* issued on 27 June 1999;
- the commencement of the *Financial Management Guidelines 2000*;
- departments to be prescribed as Departments for the purposes of the Act for the period preceding and after the commencement of the guideline; and
- authority for the Office of Financial Management (other than the Central Financial Unit and the Superannuation and Insurance Provision Unit) to be prescribed as a separate department for the period of 1 July 1999 to 6 August 1999. This is required to allow the preparation of full year financial statements for the Department of Treasury and Infrastructure and Chief Minister's Department.

FINANCIAL MANAGEMENT GUIDELINES 2000

Clause 1 cites the Name of the Guidelines as the *Financial Management Guidelines 2000*.

Clause 2 provides for the Guidelines to commence on the day they are notified in the Gazette.

Clause 3 provides definitions for Territory Entity and Territory owned property, and points to Clause 5 for the definition of debt instrument, and the Act for the definition of Territory owned corporation.

Clause 4 states that notes included in the Guidelines are explanatory and do not form part of the Guidelines.

Clause 5 defines the meaning of debt instrument.

Subclause 6 (1) prescribes ACT Executive, ACT Forests, ACT Housing, ACTION, ACT Workcover, Central Finance Unit, InTACT and Superannuation Unit as separate departments. This is in line with the Appropriation Bill 2000-01.

Subclause 6 (2) provides that for the period of 1 July 2000 until the commencement of the Guidelines, those parts of administrative units defined under Subclause 6 (1) shall be prescribed as separate departments for the purposes of the preparation, auditing and tabling of financial reports (including financial statements). This puts beyond all doubt the status of the Departments in the 2000-01 financial year prior to the passage of the Appropriation Bill 2000-01.

Subclause 6 (3) provides that the Office of Financial Management (other than the Central Financial Unit and the Superannuation and Insurance Provision Unit) is prescribed as a separate department for the period of 1 July 1999 to 6 August 1999. This is required to allow the preparation of full year financial statements for the Department of Treasury and Infrastructure and Chief Minister's Department.

Subclause 6 (4) provides for the expiry of Subclause 6 (2) on 1 January 2002.

Subclause 6 (5) provides for the expiry of Subclause 6 (3) on 1 January 2001.

Subclause 7 (1) defines prescribed investments for the purpose of paragraph 38 (1)(e) of the Act, being for the 'Investment of Public Money'.

Subclause 7 (2) provides that the Treasurer must, in writing, identify and state the details, including the period, terms and amount of the investment, of investments in real property.

Subclause 7 (3) identifies an instrument under Subclause 7 (2) of the Guidelines, as a disallowable instrument.

Subclause 7 (4) prevents an investment mentioned in Subclause 7 (2) from being made if the instrument to which it relates is disallowed under Subclause 7 (3).

Subclause 7 (5) prevents an investment mentioned in Subclause 7 (2) from being made until after the last day the instrument relating to it can be disallowed, under section 6 of the *Subordinate Laws Act 1989*.

Clause 8 defines the prescribed period as 35 days for the purposes of subsection 61 (1) of the Act.

Clause 9 states that public employees must act in accordance with appropriate accounting practice and defines appropriate accounting practice as consistent with the ACT Accounting Policy Manual, August 1999.

Clause 10 repeals the *Financial Management Guidelines* issued on 3 June 1999 and the *Financial Management Guidelines (Amendment No. 1)* issued on 27 June 1999.