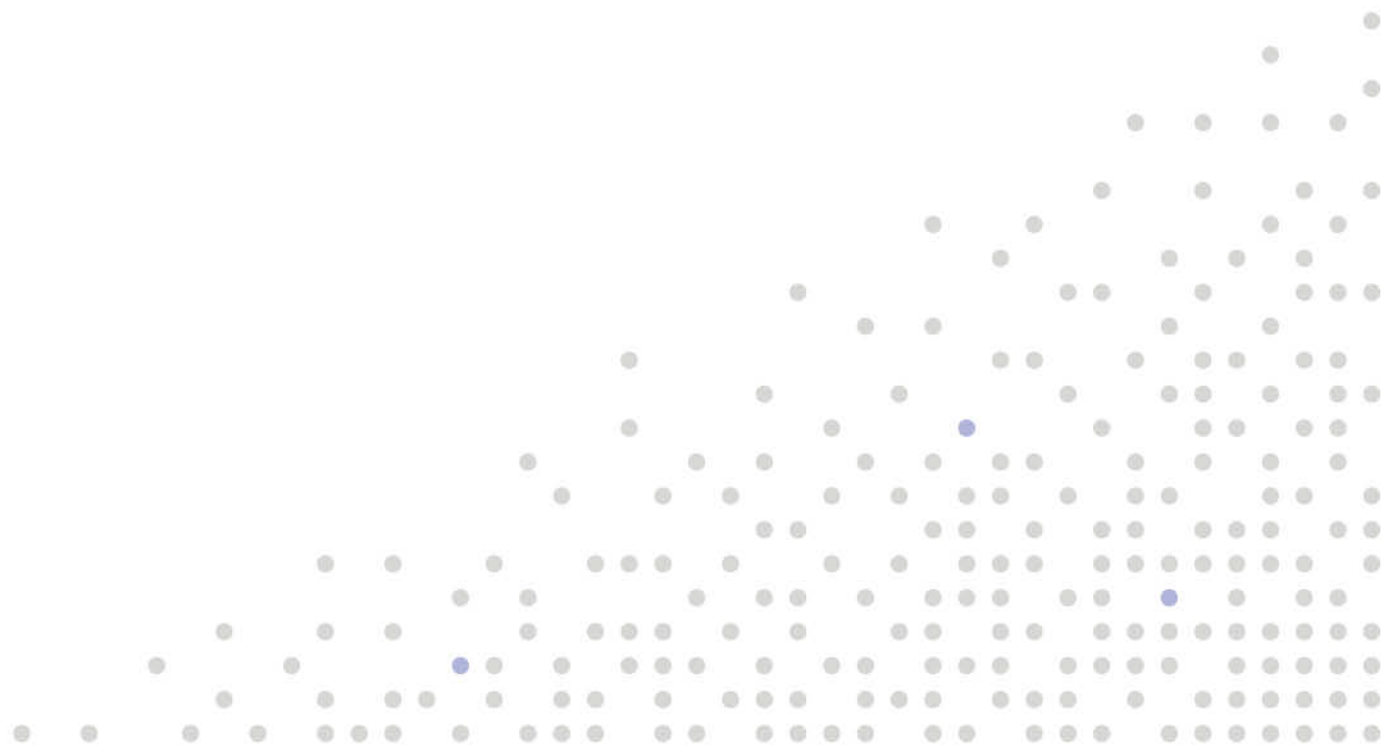




**Australian Government**  
**Department of Finance**



**Department of Finance**

**Submission to the  
Joint Committee of Public Accounts and Audit**  
**Commonwealth Financial Statements: Auditor-General's report  
No. 24 (2017-18), Audits of Financial Statements of Australian  
Government Entities for Period Ended 30 June 2017**

**August 2018**

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## 1. Introduction

- 1.1 The Department of Finance (Finance) welcomes the opportunity to contribute to the Joint Committee of Public Accounts and Audit's inquiry into Audit Report No. 24 (2017-18) Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2017.
- 1.2 This submission provides contextual information regarding government financial statement preparation and further addresses three matters specified in the inquiry's terms of reference:
  - Equity investment, concessional loans and contingent liabilities, and the applicable budget, accounting and valuation rules;
  - Significant and moderate findings for the National Disability Insurance Agency (NDIA); and
  - Management of IT Controls.

## 2. Preparation of financial statements

- 2.1 All financial statements prepared by the government, including those for the Budget, comply with Australian Accounting Standards (AAS) and Government Financial Statistics (GFS) standards.
- 2.2 The two sets of relevant accounting standards are prescribed in legislation and are set independently of the government. The AAS are mandated for financial statements by the *Public Governance, Performance and Accountability Act 2013*<sup>1</sup> and the *Corporations Act 2001*<sup>2</sup>. GFS and AAS are mandated for budget reports by the *Charter of Budget Honesty Act 2013*. AAS and GFS standards have been highly aligned or 'harmonised' at the whole of government and general government sector (GGS) levels since 2009. While this does not mean that the two are exactly the same, they are highly similar and most frequently result in the same accounting requirements applying under both sets of standards. Where there are material differences between the two sets of standards, the differences are reported<sup>3</sup>.
- 2.3 The AAS are set by the Australian Accounting Standards Board, based on the standards set by the International Accounting Standards Board. GFS standards are set by the Australian Bureau of Statistics, based on the international system of Government Finance Statistics set by the International Monetary Fund.
- 2.4 In addition to these external standards, the financial statements format is derived from the Uniform Presentation Framework (UPF)<sup>4</sup>. The UPF is a national agreement that provides consistent presentation of government financial information by the Commonwealth, States and Territories on a basis broadly consistent with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The current UPF has been in place since 2008.

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<sup>1</sup> Sections 48 and 42 <https://www.legislation.gov.au/Details/C2017C00269/Download> - for the Consolidated Financial Statements and financial statements of individual Commonwealth entities

<sup>2</sup> Section 296 <https://www.legislation.gov.au/Details/C2018C00275/Download> (volume 2) – for Commonwealth-controlled companies

<sup>3</sup> *Charter of Budget Honesty Act 1998* Section 12(3) <https://www.legislation.gov.au/Details/C2014C00438/Download> . Refer page 10-21 to 10-23 in Budget Paper No 1 2018-19 [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs10.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs10.pdf)

<sup>4</sup> [https://static.treasury.gov.au/uploads/sites/1/2017/06/2008\\_UPF.pdf](https://static.treasury.gov.au/uploads/sites/1/2017/06/2008_UPF.pdf)

- 2.5 The accounting requirements for budget reports are mandated by the *Charter of Budget Honesty Act 1998*<sup>5</sup>. Each year, the Budget Papers include, within Statement 10 of Budget Paper No 1, budgeted financial statements and supporting information regarding budget accounting practices<sup>6</sup>.
- 2.6 The Auditor-General examines compliance with AAS standards as part of his financial statement audits of ex-post reporting, particularly financial statements in entity Annual Reports and the Consolidated Financial Statements (CFS). In each case, the audit report specifically comments on compliance with the AAS standards.
- 2.7 Further information regarding the impact of expenditure, including equity investments and concessional loans, on the key budget aggregates, such as net operating balance, fiscal balance, net debt, headline cash balance and underlying cash balance is available in Finance's Advice Paper, *General Principles for Recognition of Expenditure in Budget Aggregates*.<sup>7</sup>

### 3. Equity Investments, Concessional Loans and Contingent Liabilities

#### 3.1 Equity Investments

- 3.1.1 An equity investment is an investment that gives the holder an interest in the ownership of an entity, which in turn bestows rights such as a share in the profits and the ability to sell or redeem that interest.
- 3.1.2 The full definitions of an equity investment as contained in accounting standards are:
- “Future economic benefits that have been contributed to the entity by parties external to the entity, other than those which result in liabilities of the entity, that give rise to a financial interest in the net assets of the entity which:
- “(a) conveys entitlement both to distributions of future economic benefits by the entity during its life, such distributions being at the discretion of the ownership group or its representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or
- (b) can be sold, transferred or redeemed.”<sup>8</sup>
- “Equity refers to claims on other entities, which entitle the holder to a share of the income of the entity and a right to a share of the residual assets of the entity, should it be wound up.”<sup>9</sup>

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<sup>5</sup> [https://www.legislation.gov.au/Details/C2014C00438/Download\\_sections 12, 16, 19 and 24](https://www.legislation.gov.au/Details/C2014C00438/Download_sections%2012,%2016,%2019%20and%2024)

<sup>6</sup> Budget Paper 1 Statement 10, pages 10-20 to 10-23 and 10-34 to 10-40: [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs10.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs10.pdf)

<sup>7</sup> <https://www.finance.gov.au/resource-management/reporting-accounting/accounting-guidance>

<sup>8</sup> AAS - AASB 1004 *Contributions* [http://www.aasb.gov.au/admin/file/content105/c9/AASB1004\\_12-07\\_COMPjan15\\_07-15.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB1004_12-07_COMPjan15_07-15.pdf) Appendix A

<sup>9</sup> GFS – *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (known as the *GFS Manual*) Paragraph 8.169 [http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/\\$File/55140\\_2015.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/$File/55140_2015.pdf)

- 3.1.2 Equity investments include shares held by investment funds such as the Future Fund, as well as investments in government-owned public corporations such as Australia Post. Equity investments are fully disclosed in the financial statements (which are published in Annual Reports) of the portfolio entity which has policy responsibility. When financial information is consolidated at the whole of government level, related equity transactions are netted out (eliminated), in the same way as other types of transactions between entities within government.

### Budget and accounting rules – equity investments

- 3.1.3 Accounting policies for equity investments, consistent with accounting standards, are set out in note 5C to the Consolidated Financial Statements<sup>10</sup>.
- 3.1.4 The AAS standards applying to equity investments depend on the nature of the investment and the proportion of the investee's equity held, as well as whether the reporting is for an individual entity or a consolidated level of reporting. The standards applicable to accounting are<sup>11</sup>:
- AASB 10 *Consolidated Financial Statements*<sup>12</sup> applies to whole of government financial statements (Consolidated Financial Statements);
  - AASB 1049 *Whole of Government and General Government Sector Financial Reporting*<sup>13</sup> and (AASB) Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*<sup>14</sup> apply to investments by the GGS in public corporations;
  - AASB 11 *Joint Arrangements*, AASB 128 *Interests in Associates and Joint Ventures* may apply where the government owns a significant, but not controlling, equity interest; and
  - AASB 132 *Financial Instruments: Presentation*, AASB 9/139 *Financial Instruments: (Recognition and Measurement)* and AASB 7 *Financial Instruments: Disclosures* apply where the government is not a significant equity holder;
  - The GFS standards applicable to accounting are very similar, except for revaluations<sup>15</sup>, and
  - More detail on requirements for public corporations is in the Concepts Chapter of the *Standard Economic Sector Classifications of Australia* (SESCA)<sup>16</sup>.
- 3.1.5 The principal amount of an equity investment does not impact net operating balance, fiscal balance, or underlying cash balance. However, it does have a negative impact on net debt and headline cash balance. Dividends received on equity investments have a positive impact on all key budget aggregates.

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<sup>10</sup> <https://www.finance.gov.au/publications/commonwealth-consolidated-financial-statements/> Pages 83-85

<sup>11</sup> Some additional disclosures may be required by AASB 12 *Disclosure of Interests in Other Entities*. Other accounting standards may apply to specific types of transactions in equity investments, such as acquisition or disposal of a controlling interest in a company.

<sup>12</sup> [http://www.aasb.gov.au/admin/file/content105/c9/AASB10\\_07-15\\_COMPdec15\\_01-18.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB10_07-15_COMPdec15_01-18.pdf)

<sup>13</sup> [http://www.aasb.gov.au/admin/file/content105/c9/AASB1049\\_10-07\\_COMPmar15\\_07-16.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB1049_10-07_COMPmar15_07-16.pdf)

<sup>14</sup> [http://www.aasb.gov.au/admin/file/content105/c9/INT1038\\_12-07\\_COMPdec13\\_01-14.pdf](http://www.aasb.gov.au/admin/file/content105/c9/INT1038_12-07_COMPdec13_01-14.pdf)

<sup>15</sup> Which are "other economic flows" in GFS, not impacting major budget aggregates.

<sup>16</sup> <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/0C4CB01B2AF64FD6CA257BDD001162F2?opendocument>

## Valuation Rules – equity investments

- 3.1.6 Valuation in the financial statements is in most cases at fair value<sup>17</sup>. The exception is for equity held by the government in public corporations<sup>18</sup>, which is recorded at fair value if it is possible to determine, and otherwise at the value of the net assets of the investee. As set out in Note 1.8 to the CFS<sup>19</sup>, where accounting standards require valuation at fair value, this is determined using AASB 13 *Fair Value Measurement*. Fair values determined in this way are acceptable under GFDS for determining market value. Determining fair values, as with other accounting calculations, usually requires estimation of key parameters such as market interest rates, and the amount and timing of future cash flows, which involves judgement, and consideration of uncertainty.

## Disclosure – equity investments

- 3.1.7 Expected future cash transactions in equity investments are included in the reconciliation of headline cash balance to underlying cash balance, and itemised where there are no confidentiality issues<sup>20</sup>. Information about aggregate equity investments is also disclosed in the Consolidated Financial Statements, Note 5C<sup>21</sup>.
- 3.1.8 Disclosure of the values of individual government bodies and the basis of valuations, including public corporations, is included in the financial statements of the relevant portfolio entity.

## 3.2 Concessional Loans

- 3.2.1 Concessional loans, sometimes known as concessionary loans, are defined in GFS<sup>22</sup> as “loans which occur when public sector units [governments] lend to other units [businesses and households], and the contractual interest rate is intentionally set below the market interest rate that would otherwise apply.” Concessional loans include those where other contractual terms might be more favourable to the borrower than equivalent market loans e.g. where there are deferred repayment terms not compensated for by the interest charges.

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<sup>17</sup> Required by AASB 9 *Financial instruments* paragraphs 5.1.1, 5.2.1 [http://www.aasb.gov.au/admin/file/content105/c9/AASB9\\_12-14.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB9_12-14.pdf) /AASB 139 paragraphs 43,46 <https://www.legislation.gov.au/Details/F2011C00043> ; and the *GFS Manual* paragraph 3.74 [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/\\$File/55140\\_2015.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/$File/55140_2015.pdf)

<sup>18</sup> By the general government sector. AASB 1049 *Whole of Government and General Government Sector Financial Statements* paragraph 20 [http://www.aasb.gov.au/admin/file/content105/c9/AASB1049\\_10-07\\_COMPmar15\\_07-16.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB1049_10-07_COMPmar15_07-16.pdf)

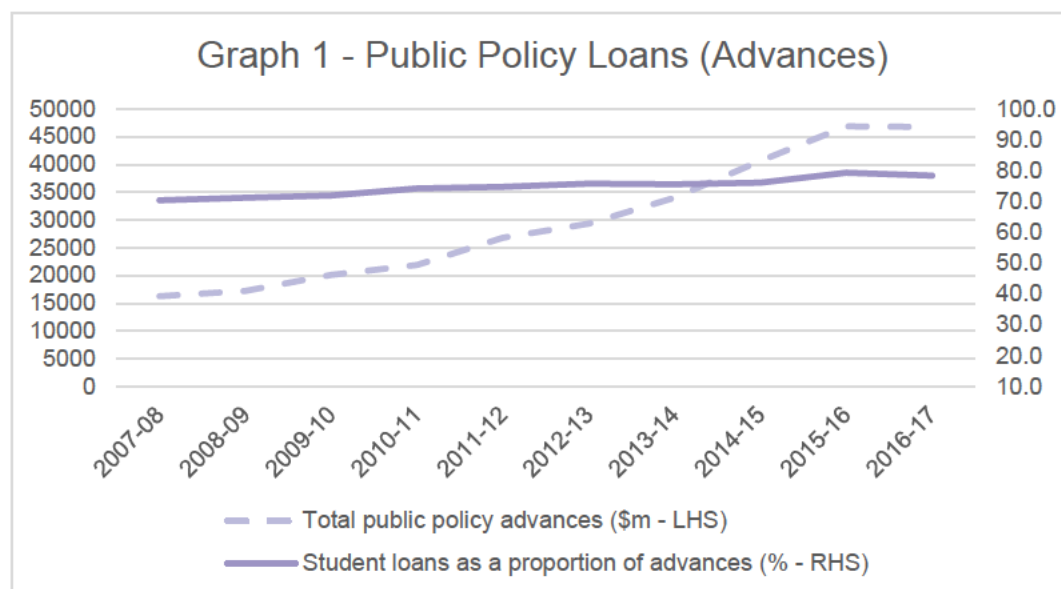
<sup>19</sup> <https://www.finance.gov.au/sites/default/files/2016-17-CFS.pdf?v=1>

<sup>20</sup> Budget Paper 1 Statement 3 – Table 7 page 3-28 in 2018-19 [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs3.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs3.pdf)

<sup>21</sup> <https://www.finance.gov.au/publications/commonwealth-consolidated-financial-statements/Pages/83-85>

<sup>22</sup> *GFS Manual* paragraph 8.175 [http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/\\$File/55140\\_2015.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/$File/55140_2015.pdf). The interest rate might also be below the rate that otherwise might apply due to extended repayment terms or other concessions.

- 3.2.2 Concessional loans are issued to encourage or achieve a particular policy purpose. Student loans, provided through the Higher Education Loan Program, made up approximately 78 per cent of total general government sector public policy loans as at 30 June 2017. Graph 1 illustrates the trend in both total public policy loans and the proportion of those loans that are student loans.



## Budget and accounting rules – concessional loans

- 3.2.3 With the exception of one aspect of valuation, concessional loans are treated in the same manner as other loans for budget and accounting purposes. Concessional loans are recorded as financial assets and appear on the balance sheet, in the line “Advances paid”.
- 3.2.4 The impact of concessional loans on key budget aggregates requires identification of the “concessional element” – or the transfer of wealth from the lender to the borrower. The concessional element has an initial negative impact on net operating balance<sup>23</sup>, fiscal balance and net debt. The principal of the amount loaned has a negative impact on headline cash balance and gross debt, but has no impact on underlying cash balance. Loan repayments have the reverse of the impacts described above. Interest revenue earned on the loan has a positive impact on all key budget aggregates.

<sup>23</sup> Using the AAS approach. The GFS approach would treat the concessional element as an ‘other economic flow’, not impacting net operating balance or fiscal balance.



- 3.2.5 The AAS standards applicable to concessional loans are AASB 9/139 *Financial Instruments: (Recognition and Measurement)* and AASB 7 *Financial Instruments: Disclosures*. The relevant sections of the GFS Manual dealing with concessional loans include paragraphs 3.83, 8.173-5, 13.19, 17.31. The principal difference between AAS and GFS accounting for concessional loans is in the treatment of the concessional element<sup>24</sup>. The concessional element – or the transfer of wealth from the lender to the borrower - is an initial expense for AAS, and an 'other economic flow' for GFS. As the full amount of the loan is repaid, the concessional element reverses in nominal terms, or 'unwinds', over time.

### Valuation Rules – concessional loans

- 3.2.6 Loans are valued in accordance with the requirements of AASB 9/139 *Financial Instruments*. This is either fair value, or amortised cost, depending on the characteristics of the loan. Broadly speaking, if loans are issued for the government to collect fixed principal and interest repayments, they are accounted for at amortised cost, similar to, say, a standard bank housing loan. Other loans, which might include traded bonds, or loans with more complex structures, are valued at fair value.

### Disclosure – concessional loans

- 3.2.7 Loan programs are disclosed in the Budget Papers. Significant individual loan programs, including concessional loans, are disclosed in the Statement of Risks.<sup>25</sup> Expected future cash transactions in significant individual loan programs, including concessional loans, are included in the reconciliation of headline cash balance to underlying cash balance.<sup>26</sup>
- 3.2.8 To comply with accounting standards, there is extensive disclosure about loans in Note 5A to the Consolidated Financial Statements<sup>27 28</sup>.

## 3.3 Contingent liabilities

- 3.3.1 A contingent liability is usually an obligation that may become a liability in future if an uncertain event occurs which is beyond the control of the entity. The most common examples of Australian Government contingent liabilities are guarantees and indemnities.

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<sup>24</sup> While GFS values concessional loans at market value, and AAS values some concessional loans at amortised cost, this would not normally result in a material difference in the value of the loans.

<sup>25</sup> in 2018-19, Budget Paper 1 Statement 9 [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs9.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs9.pdf)

<sup>26</sup> Budget Paper 1 Statement 3 – Table 7 page 3-28 in 2018-19 [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs3.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs3.pdf)

<sup>27</sup> <https://www.finance.gov.au/publications/commonwealth-consolidated-financial-statements/> Pages 76-80

<sup>28</sup> In accord with AASB 7 *Financial Instruments: Disclosures*  
[http://www.aasb.gov.au/admin/file/content105/c9/AASB7\\_08-15\\_COMPdec17\\_01-18.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB7_08-15_COMPdec17_01-18.pdf)



### 3.3.2 The full AAS definition is:

“a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or  
a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.”

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### 3.3.3 The GFS definition is equivalent to paragraph (a) of the AAS definition.<sup>30</sup>

## Budget and accounting rules – contingent liabilities

3.3.4 Contingent liabilities are not recorded in balance sheets, because they are dependent on the occurrence of uncertain future events<sup>31</sup>. Instead, they are disclosed in the Statement of Risks, which is published as Statement 9 in Budget Paper No 1<sup>32</sup>. If circumstances change so the uncertain future event is expected to occur, the liability is no longer contingent and is recorded as an actual liability in the balance sheet.

3.3.5 Contingent liabilities have no impact on budget aggregates, including fiscal balance and underlying cash balance, as they are related to an event that has not yet occurred.

3.3.6 Not all guarantees are entirely contingent liabilities. Guarantees that are contractual guarantees<sup>33</sup> (rather than statutory), those that meet the definition of an insurance arrangement<sup>34</sup>, and guarantees under standardised schemes<sup>35</sup> may require recognition of an actual liability for an expected call on the guarantee.

## Valuation rules – contingent liabilities

3.3.7 Where capable of being quantified, contingent liabilities are recorded in the notes to the financial statements at the best estimate of the amount that would currently be required to settle the obligation, normally measured as the expected financial outcome<sup>36</sup>. This may be different from the maximum possible obligation.

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<sup>29</sup> AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* paragraph 10  
[http://www.aasb.gov.au/admin/file/content105/c9/AASB137\\_08-15.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB137_08-15.pdf)

<sup>30</sup> *GFS Manual* paragraph 3.60  
[http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/\\$File/55140\\_2015.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/$File/55140_2015.pdf).

<sup>31</sup> AASB 137 paragraph 27 [http://www.aasb.gov.au/admin/file/content105/c9/AASB137\\_08-15.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB137_08-15.pdf)

<sup>32</sup> Budget Paper 1 Statement 9 [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs9.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs9.pdf)

<sup>33</sup> AASB 9 Appendix A, paragraph 4.2.1/AASB 139 paragraphs 9, 47 *Financial Instruments*  
[http://www.aasb.gov.au/admin/file/content105/c9/AASB9\\_12-14.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB9_12-14.pdf)

<sup>34</sup> AASB 1023 *General Insurance Contracts* paragraph 2.2  
[http://www.aasb.gov.au/admin/file/content105/c9/AASB1023\\_07-04\\_COMPdec13\\_01-14.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB1023_07-04_COMPdec13_01-14.pdf)

<sup>35</sup> *GFS Manual*, paragraphs 13.75-13.91  
[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/\\$File/55140\\_2015.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/418BDDEBD088A012CA257F230019D433/$File/55140_2015.pdf)

<sup>36</sup> AASB 137 paragraph 36 [http://www.aasb.gov.au/admin/file/content105/c9/AASB137\\_08-15.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB137_08-15.pdf)

## Disclosure – contingent liabilities

3.3.8 Contingent liabilities are required to be included in budget reports<sup>37</sup> in the Statement of Risks<sup>38</sup> as well as Note 9A to the Consolidated Financial Statements<sup>39 40</sup>.

## 4. Significant and moderate findings for NDIA

4.1 The Auditor-General reported a number of audit findings in respect of the NDIA for the 2016-17 financial year. The findings largely relate to internal controls (principally ICT controls), management and documentation of eligibility decisions and business compliance monitoring.

4.2 Finance notes that the accountable authority of the NDIA has responsibility for internal controls and risk management within their entity<sup>41</sup>, and that the NDIA agreed with the findings and has committed to address them. Finance agrees with the Auditor-General that the items in question require remediation, and is supporting the NDIA in this regard.

4.3 Finance notes that the Auditor-General's interim report, tabled on 14 June 2018 (Report No.47 2017-18 refers)<sup>42</sup>, has updated NDIA findings from the 2016-17 final audit to nil significant and five moderate findings as:

- a. Significant audit findings have been remediated, with one resolved and one downgraded to a moderate audit finding;
- b. One moderate audit finding has been downgraded to a minor audit finding; and
- c. Further significant or moderate audit findings have not been raised.

## 5. Management of IT Controls

5.1 Accountable authorities have overarching responsibility for the IT controls within their entity, however operational oversight of these controls may be delegated to key senior managers. Assurance regarding the adequacy of internal controls, including IT controls, is undertaken by an entity's Audit Committee.

5.2 Finance supports entities in applying rigorous internal controls to all of their systems, including IT systems, as such controls enhance the quality of financial and other information.

5.3 Finance does not prescribe a whole of government controls regime, as appropriate controls must be tailored to the circumstances of each entity. For example, the size of, and the nature of the work undertaken by, an entity will impact the design of the entity's control framework.

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<sup>37</sup> For example, Budget Paper 1 Statement 9, pages 9-12 to 9-36 [https://www.budget.gov.au/2018-19/content/bp1/download/bp1\\_bs9.pdf](https://www.budget.gov.au/2018-19/content/bp1/download/bp1_bs9.pdf)

<sup>38</sup> s12(e), 16(1)(a) of the *Charter of Budget Honesty Act 1998*  
<https://www.legislation.gov.au/Details/C2014C00438/Download>

<sup>39</sup> AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* paragraph 86  
[http://www.aasb.gov.au/admin/file/content105/c9/AASB137\\_08-15.pdf](http://www.aasb.gov.au/admin/file/content105/c9/AASB137_08-15.pdf)

<sup>40</sup> <https://www.finance.gov.au/publications/commonwealth-consolidated-financial-statements/Pages/109-112>

<sup>41</sup> Section 16 of the *Public Governance, Performance and Accountability Act 2013*  
<https://www.legislation.gov.au/Details/C2017C00269/Download>

<sup>42</sup> [https://www.anao.gov.au/sites/g/files/net4981/f/ANAO\\_Report\\_2017-2018\\_47a.pdf](https://www.anao.gov.au/sites/g/files/net4981/f/ANAO_Report_2017-2018_47a.pdf) pages 181-185

- 5.4 General guidance regarding controls is available to accountable authorities, including Finance's Model Accountable Authority Instructions<sup>43</sup>, and the Fraud Control Framework published by the Attorney General's Department.<sup>44</sup>

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<sup>43</sup> Resource Management Guide 206 <https://www.finance.gov.au/resource-management/accountability/accountable-authority-instructions/>

<sup>44</sup> Attorney General's Department website:  
<https://www.ag.gov.au/CrimeAndCorruption/FraudControl/Documents/CommonwealthFraudControlFramework2017.PDF>