

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING : 25 May 2015

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(BE15/196) - Misappropriation - Internal Product (DIBP)

Senator Ludwig, Joe (L&CA) written:

1. In relation to handling of cash, being a high risk function in terms of possible misappropriation, which is something of great interest to the Australian taxpayer – please outline all policies and procedures does the agency have in place with regards to cash handling. Please provide any relevant manuals, procedure books or fact sheets for APS staff working for the agency.

Answer:

In relation to handling of cash, the following Accountable Authority Instructions (AAI) and Financial Management Directive under the Public Governance, Performance and Accountability legislation have been issued by:

Australian Customs and Border Protection Service

- Accountable Authority Instruction 1.0 – Financial Framework (Attachment A); and
- Accountable Authority Instruction 2.0 – Risk and Internal Control (Attachment B).

Department of Immigration and Border Protection

- Accountable Authority Instruction 7.0 – Managing relevant money (Attachment C)
- Financial Management Directive (FMD) 2014/2015 – Cash Advances (Attachment D).



ACCOUNTABLE AUTHORITY INSTRUCTIONS

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Title: Financial Framework

Purpose: To set out the requirements that must be complied with by all officials within the Australian Customs and Border Protection Service (ACBPS) to ensure compliance with the Commonwealth's Resource Management Framework.

Owner: Chief Finance Officer

Category: Accountable Authority Instructions

Summary of Main Points

These Accountable Authority Instructions (AAs) are issued by the CEO of ACBPS under section 20A *Public Governance, Performance and Accountability Act 2013*. All ACBPS officials must comply with the requirements in these AAs. They have been developed to ensure that ACBPS complies with the Commonwealth's Resource Management Framework, which consists of:

- *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule)
- Other legislative instruments and directions made under this legislation and
- Guidance and advice issued by the Department of Finance.

The electronic version published on the Practice Statement Framework SharePoint site, accessible through the Intranet, is the current Accountable Authority Instruction

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Introduction Statement

These Accountable Authority Instructions (AAIs) are issued under Section 20A(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). They set out a range of mandatory requirements and guidance on issues related to compliance with the Commonwealth's Resource Management Framework, in particular, the proper management of public resources.

The Accountable Authority Instruction constitutes a direction that ACBPS officials must comply with. Failure to comply with a lawful and reasonable direction by an ACBPS official may result in action being commenced to determine whether they have breached the APS Code of Conduct.

Scope

These AAIs set out the obligations of officials in relation to the financial management requirements contained in the Commonwealth's Resource Management Framework. Separate guidance on the risk management requirements contained in the Commonwealth's Resource Management Framework is included in AAI 2 – Risk and Internal Control.

These AAIs apply to all ACBPS officials. For the purposes of these AAIs ACBPS "officials" includes:

- the Chief Executive Officer (CEO) of ACBPS and
- all employees of ACBPS.

Policy Statement

Part 1 – Delegations

1. Delegations and authorisations

1.1 What is a delegation?

- 1.1.1 Under the PGPA Act the CEO has been given a range of powers. In addition the *Public Governance, Performance and Accountability (Finance Minister to Accountable Authorities of Non-Corporate Commonwealth Entities) Delegation 2014* (Finance Minister's Delegation) delegates a number of powers of the Finance Minister to the CEO.
- 1.1.2 A delegation allows other officials within ACBPS to exercise the powers of the CEO.

1.2 Which powers have been delegated?

- 1.2.1 The current financial delegations issued to ACBPS Officials relate to the power to:

- spend relevant money and enter into, vary, and administer arrangements, with a separate delegation applying to entering or varying arrangements related to other CRF Money. Standard dollar delegations apply to most departmental expenditure with separate dollar limits and restrictions applying to expenditure on:
 - advertising – open approaches to market
 - credit card purchases
 - gifts / benefits
 - international travel
 - official hospitality
 - settlement of legal claims and
 - Claims for Compensation for Defective Administration
- spend relevant money using administered appropriations
- gifting of relevant property
- write down / write off of relevant property
- banking
- debt management
- grants and
- repayments.

1.2.2 Details of these delegations and conditions that must be complied with when exercising these delegated powers are contained in the Instruments of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).

1.3 What is an authorisation?

- 1.3.1 In certain circumstances certain officials with delegated powers to may authorise other officials to exercise these powers on their behalf.
- 1.3.2 Details of these authorisations and conditions that must be complied with when exercising these powers are contained in the Instruments of Authorisation. Copies of all financial Instruments of Authorisation can be accessed on the intranet at [Our Work→Delegations→Finance](#).

1.4 Responsibilities of the Manager Finance Governance and Compliance

- 1.4.1 The Manager Finance Governance and Compliance is responsible for the maintenance of the financial Instruments of Delegation and Authorisation.
- 1.4.2 The Manager Finance Governance and Compliance must maintain a central register of financial delegations and authorisations for ACBPS.

1.5 Responsibilities of Divisional Finance Managers

- 1.5.1 Divisional Finance Managers must ensure that the any delegations included in the [Authorisation Request Form](#), which is used to set up delegations within the Financial Management Information System (FMIS), are in accordance with the limits in the Instrument of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).
- 1.5.2 Divisional Finance Managers should liaise with the Manager Finance Governance and Compliance if they identify a business need for an official to have a delegation that is higher than the amount in the Instrument of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).

1.6 Responsibilities of other officials

- 1.6.1 Officials must only approve transactions if they have a current delegation for that type of transaction.
- 1.6.2 Officials must only approve transactions that are under the transaction limit for that transaction type.
- 1.6.3 Officials must not use their delegation to approve transactions for their own benefit. This includes:
- payment of allowances
 - travel (excluding taxi fares that are paid using their Westpac MasterCard associated with approved travel) and
 - payments for other entitlements.

Officials must obtain verbal or written approval from their supervisor before booking any official travel. Once approval has been received, the official can proceed with booking the travel.

1.7 Key references

Sections 107 and 110 of the PGPA Act
Finance Minister's Delegation

Part 2 – Approval and Commitment of Relevant Money

2. Approving commitments of relevant money and entering into arrangements

2.1 What is a commitment of relevant money?

- 2.1.1 Relevant money" under the PGPA Act and for the purposes of these AAls, means money that is held by the Commonwealth or money standing to the credit of a Commonwealth bank account.
- 2.1.2 Relevant money becomes 'committed' when ACBPS enters into, or varies, an arrangement (such as a contract, grant agreement, deed or guarantee) under which that money is, or may become, payable.
- 2.1.3 The proposed commitment of relevant money must be approved before an official enters into (or varies) an arrangement, and before payments are made.

2.2 What is an arrangement?

- 2.2.1 An arrangement has a very broad meaning, which includes written and unwritten arrangements, and documents that are legally binding (such as contracts, standing offers, grant agreements and deeds) and documents that are not legally binding (such as Memoranda of Understanding or an exchange of letters). It also includes any arrangement that involves a contingent liability (ie. a commitment that may give rise to a cost as a result of a future event), such as an indemnity or guarantee.

2.3 Who can enter into an arrangement?

- 2.3.1 The officials who can enter into various types of arrangements and the limitations on their powers are specified in the Instruments of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#). For further information on delegations refer to Section 1 of these AAls.

2.4 Responsibilities of officials – proposed commitments of relevant money

- 2.4.1 Officials must not approve a proposed commitment of relevant money, unless they have been delegated powers to do so.
- 2.4.2 Proposed commitments of relevant money must be approved consistent with any requirements specified in these AAls and the terms of the relevant delegation or authorisation instrument.
- 2.4.3 If a commitment of relevant money involves procurement, officials must ensure it complies with the Commonwealth Procurement Rules. For further information on procurement refer to Section 7 of these AAls.

- 2.4.4 If a commitment of relevant money involves a grant, officials must ensure it complies with the Commonwealth Grant Rules and Guidelines. For further information on grants refer to Section 8 of these AAls.
- 2.4.5 Before approving a proposed commitment of relevant money officials must ensure that the proposed expenditure is:
- a proper use of public resources. “Proper” means efficient, effective, economical and ethical and
 - not inconsistent with the policies of the Australian Government.
- 2.4.6 Before approving a proposed commitment of relevant money where payments under the arrangement extend beyond the current appropriation (ie. Beyond the current financial year) the officials must obtain clearance from the CFO. Clearance must be provided in writing, this includes email or other electronic clearances.
- 2.4.7 If an official provides verbal approval for a commitment of relevant money, he or she must record the approval in writing as soon as practicable after giving it.
- 2.4.8 An official may approve a commitment of relevant money subject to conditions.

2.5 Responsibilities of officials – entering into arrangements

- 2.5.1 Before entering into an arrangement, officials must ensure it is within the scope of their delegation.
- 2.5.2 If the arrangement involves procurement, officials must ensure it complies with the Commonwealth Procurement Rules. For further information on procurement refer to Section 7 of these AAls.
- 2.5.3 Officials must not vary an arrangement, unless:
- it is within the scope of their delegation and
 - the commitment of relevant money has been approved.
- 2.5.4 Before entering into an arrangement officials must confirm that any expenditure under the arrangement would be consistent with the purposes of ACBPS.
- 2.5.5 If the arrangement contains a contingent liability officials must comply with the requirements set out in Section 3 of these AAls.
- 2.5.6 If an arrangement involves a grant, officials must ensure it complies with the Commonwealth Grant Rules and Guidelines. For further information on grants refer to Section 8 of these AAls.

2.6 Key references

Sections 21, 23 and 60 of the PGPA Act

Section 19 of the PGPA Rule

Finance Minister's Delegation

Sections 1, 3, 7 and 8 of AAI 1: Financial Framework

Resource Management Guide: Indemnities, Guarantees and Warranties

Resource Management Guide 400: Approval and commitment of relevant money

3. Guarantees, indemnities and warranties on behalf of the Commonwealth

3.1 What are guarantees, indemnities and warranties?

- 3.1.1 An indemnity is a legally binding promise whereby a party undertakes to accept the risk of loss or damage another party may suffer.
- 3.1.2 A guarantee made by the Commonwealth is a promise whereby the Commonwealth assumes responsibility for the debt of, or performance obligations of another party.
- 3.1.3 A warranty is a promise whereby one party provides certain assurances to another party, for example that an item is the vendor's to sell, is fit for use, and that for a specified period, defective parts are to be replaced or otherwise rectified.

3.2 What is a contingent liability?

- 3.2.1 Contingent liabilities are commitments that may give rise to a cost as a result of a future event. They often result from indemnities, guarantees, warranties and certain liability caps in contracts. Contingent liabilities are generally used to allocate risk between parties to an arrangement. Often this involves the Commonwealth accepting additional risks and the other party experiencing reduced risks.

3.3 Responsibilities of officials

- 3.3.1 Officials must not enter into an arrangement that includes the giving of an indemnity, guarantee or warranty, unless the giving of the indemnity, guarantee or warranty has been authorised by an official who has been delegated this power.
- 3.3.2 Officials must seek advice from [Legal Services Branch](#) regarding any proposed arrangement that includes the giving of an indemnity, guarantee or warranty.

- 3.3.3 When officials are negotiating a contractual arrangement incorporating indemnity provisions, the Commonwealth's interests should be the primary consideration. The primary intent should be to minimise the Commonwealth's exposure to financial liability, and to ensure that the party who can best manage the risk bears financial responsibility for that risk. A risk assessment should be undertaken to identify the financial, business and operational exposures to potential risk.
- 3.3.4 When entering into an arrangement that involves an indemnity, guarantee or warranty, officials must comply with the directions in the Finance Minister's delegation and ACBPS's Instruments of Delegation. Copies of all ACBPS financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).
- 3.3.5 Officials must obtain authorisation from the Finance Minister before entering into an arrangement involving a loan guarantee.

3.4 Key references

Sections 15, 21, 23 and 60 of the PGPA Act

Section 18 of the PGPA Rule

Finance Minister's Delegation

Sections 1, 2 and 7 of AAI 1: Financial Framework

Resource Management Guide 400: Approval and Commitment of Relevant Money

Resource Management Guide: Indemnities, Guarantees and Warranties

4. Official Travel

4.1 What is official travel?

- 4.1.1 Official travel is any travel where ACBPS is responsible for any of the direct or indirect costs associated with that travel. This includes travel by officials, contractors and consultants to undertake work duties to achieve one or more of ACBPS's objectives.

4.2 Responsibilities of travellers – domestic travel

- 4.2.1 Before arranging travel officials must:

- investigate if they can use any other communication means to achieve the objective of the travel and
- Obtain verbal or written approval from the relevant delegate.

- 4.2.2 When booking travel officials must:

- use the lowest practical fare (LPF). Further guidance on the use of the LPF is available on the [Domestic Travel](#) intranet page and
- book the travel (airfares, accommodation and car hire) through the contracted travel suppliers. The only exception is for travel to locations or in situations where the contracted travel suppliers are not available. The official booking or authorising the travel should consult [Travel, Reporting, Insurance and Policy](#) (TRIP) Team, Services Branch if they are considering making arrangements outside of the contracted arrangements through the contracted travel provider.

4.2.3 The travel expenses booked through the contracted travel supplier are paid using a virtual Diners Club credit card. Officials must acquit or dispute all travel costs in the Expense Management System in a timely manner and, in any case, no later than 3 working days after the end of calendar month in which the expenditure was incurred. A number of [Expense Management System Guides](#) are available on the intranet. Exceptions apply to:

- travel costs incurred by maritime crew immediately preceding the commencement of a patrol. In this situation the expenditure must be acquitted within 7 days of completing the patrol and
- officials with an entitlement to leave immediately following the booking of the travel or who are absent from work immediately after booking the official travel. In this situation the expenditure must be acquitted within 7 days of returning to work.

4.2.4 Once the travel has been booked the details must be entered into the Travel Requisitions and Claims System (TRACS). A number of [Travel Requisition and Claims System](#) help guides are available on the intranet. If any changes are made to the travel once it is booked the traveller should update the details in TRACS.

4.2.5 A 5% variation in the total cost of the travel is permissible for the purposes of obtaining approval, in order to take account of unknown costs such as minor airfare and/or travel allowance variations, excess baggage costs, costs associated with hire cars such as fuel, toll charges etc.

4.2.6 Once the travel has been completed it should be confirmed in TRACS within seven days of the travel being completed. Where an official has an entitlement to leave immediately following official travel or is absent from work immediately after official travel their travel must be confirmed in TRACS within 7 days of their return to work.

4.2.7 Before confirming their travel officials should ensure that the actual costs incurred do not exceed the amount approved by more than 5%. If the actual costs exceed the amount approved by more than 5% the record in TRACS should be updated before the travel is confirmed.

4.2.8 When using a hire car for official travel within Australia, officials must ensure that the hire car booking, together with other travel details, is entered into TRACS for authorisation. Officials must state if the car hire is solely for

business purposes by answering the question in TRACS “Is this car hire for official purposes only?” Failure to do so may result in fringe benefits tax being payable by ACBPS on the cost of the car hire.

- 4.2.9 If officials use their private vehicle for work purposes it is their responsibility to ensure that they have a valid driver's licence and that their car is registered, has appropriate insurance and is road worthy. Official travel in a private vehicle must be approved in advance (this approval can be verbal or in writing) and should be entered in TRACS.
- 4.2.10 A travel diary must be kept for travel for periods of 6 or more nights when the travel was not exclusively for the purpose of performing employment duties. Failure to keep a travel diary may result fringe benefits tax being payable by ACBPS on the cost of travel. Details of the specific requirements for travel diaries are contained in CEI 4.2/1 Guidelines for Domestic Travel.

4.3 Responsibilities of authorisers – domestic travel

- 4.3.1 Approver delegates should ensure that:
- the traveller could not use any other communication means to achieve the objective of the travel
 - any requested travel is for official purposes only, or is in accordance with an individual official's entitlement
 - overnight accommodation is approved only when there is a specific need and
 - travel duration is sufficient to meet all of the proposed business needs.
- 4.3.2 In addition approver delegates are required to:
- promptly authorise travel in TRACS and
 - promptly authorise expenditure in the EMS. The requirements in relation to the authorisation of expenditure in the EMS are contained in Section 9.6 of these AAls.

4.4 Class of travel – domestic travel

- 4.4.1 All domestic travel should be conducted at the level of Economy Class, unless otherwise specified within the Enterprise Agreement.

4.5 Responsibilities of travellers – international travel

- 4.5.1 Proposals for international travel must be coordinated through the [TRIP](#) Team. The TRIP Team must provide the International Travel Request (ITR) template which contains details of the approvals required.
- 4.5.2 Officials travelling internationally are required to hold a sponsored passport. Details on how to obtain a sponsored passport are available on the [International Travel](#) intranet page.

4.5.3 Before arranging travel officials should:

- investigate if they can use any other communication means to achieve the objective of the travel and
- obtain verbal or written approval from the relevant delegate.

4.5.4 Delegated power to approve international travel is restricted to a limited number of senior executives.

4.5.5 A 10% variation in the total cost of travel is permissible for the purposes of obtaining approval, in order to take account of unknown costs such as minor airfare and/or travel allowance variations, taxes, exchange rate variations, excess baggage costs, costs associated with hire cars such as fuel, toll charges etc.

4.5.6 When there is a need to change travel arrangements which have already been approved, additional approval for the total cost of the original travel and variation must be obtained from the relevant delegate.

4.5.7 When booking travel officials should use the international best fare of the day (IBF). Further guidance on the use of the IBF is available on the [International Travel](#) intranet page.

4.5.8 International airfares for Australian based officials must be booked through the contracted travel supplier.

4.5.9 International airfares for overseas based officials can be booked through the contracted travel supplier.

4.5.10 The international airfares booked through the contracted travel supplier are paid using a virtual Diners Club credit card. Officials must acquit or dispute all travel costs in the Expense Management System in a timely manner and, in any case, no later than 3 working days after the end of the calendar month in which the expenditure was incurred. Officials with an entitlement to leave immediately following the booking of the official travel or who are absent from work immediately after booking the official travel are required to acquit their travel within 7 days of returning to work.

4.5.11 Officials must retain all relevant receipts, tickets, boarding passes etc in support of their acquittal of international travel.

4.5.12 Officials must complete the acquittal certification and provide the supporting documentation to the International Travel Officer, TRIP, no later than 28 days following the completion of international travel. Officials with an entitlement to leave immediately following a period of travel or who are absent from work immediately after official travel as a result of any type of leave are required to acquit their travel within 28 days following their return to work after the period of leave.

4.5.13 When the certification is processed, TRIP may seek additional information from travellers to support claims for work-related expenses. If claims are unclear they must either be escalated to higher management for decision or declined.

- 4.5.14 A travel diary must be kept for travel for all international travel for periods of 6 or more nights. Failure to keep a travel diary may result fringe benefits tax being payable by ACBPS on the cost of travel. Details of the specific requirements for travel diaries are contained in associated Instructions and Guidelines.

4.6 Responsibilities of approvers – international travel

- 4.6.1 Approver delegates should ensure that:

- the traveller could not use any other communication means to achieve the objective of the travel
- the requirements set out in the International Travel Request (ITR) in relation to ticketing approvals have been complied with
- any requested travel is for official purposes only, or is in accordance with an individual official's entitlement
- overnight accommodation is approved only when there is a specific need and
- travel duration is sufficient to meet all of the proposed business needs.

- 4.6.2 In addition approver delegates are required to promptly authorise any expenditure in the EMS. The requirements in relation to the authorisation of expenditure in the EMS are contained in Section 9.6 of these AAls.

4.7 Class of travel – international travel

- 4.7.1 All overseas travel should be conducted at the level of Business Class or lower. Upgrades to first class travel should not be accepted.

4.8 Allowances and travel conditions

- 4.8.1 A series of allowances and travel conditions may be payable to officials undertaking domestic or international travel on official business depending on their individual circumstances. Details of these are contained in the current ACBPS Enterprise Agreement and related Administrative Procedures and Instructions and Guidelines.

4.9 Key references

Sections 15, 21 and 23 of the PGPA Act

Section 18 of the PGPA Rule

Sections 1, 2, 7, 9, 10 and 11 of AAI 1: Financial Framework

CEI 4.2/1 Guidelines for Domestic Travel

CEI 4.2/2 Guidelines for Booking & Acquitting International Travel – Australian

Based Officials

CEI 4.2/3 Guidelines for Booking & Acquitting International Travel – Overseas Based Officials

CEI 4.2/4 Guidelines for Applications for Official Passports and/or Visas

CEI 4.2/5 Acquitting and Authorising Expenditure on Diners Travel Cards

Resource Management Guide No 400: Approval and Commitment of relevant money

Resource Management Guide 404: Official Domestic Air Travel – Use of the Lowest Practical Fare

Resource Management Guide 405: Official International Travel – Approval and Use of the Best Fare of the Day Policy (International Travel Policy)

5. Official Hospitality

5.1 Use of relevant money for hospitality

- 5.1.1 Hospitality offered by ACBPS officials entails the use of relevant money to facilitate the conduct of business within and between Commonwealth entities, or with external organisations or individuals with related vocational, technical, business or national interests in common with ACBPS.
- 5.1.2 Any decision to spend relevant money on hospitality must be publicly defensible – the primary purpose of the hospitality must be work related, it must facilitate the conduct of public business and the costs must be reasonable and appropriate for the situation.
- 5.1.3 Officials must be aware that the Fringe Benefits Tax (FBT) may be payable on various forms of hospitality.
- 5.1.4 Officials should also be aware that they are on duty during official hospitality events and are subject to the requirements set out in C_LDR18 Drug and Alcohol Management Program.

5.2 Hospitality – other than official

- 5.2.1 Additional requirements apply to expenditure on official hospitality. The following types of expenditure are not classified as official hospitality:
 - meals at external workshops, seminars, conferences (these should be included as a cost associated with the training course).
 - costs of meals associated with seminars and training courses arranged by ACBPS. These costs are to be included in the overall cost of the conference, training course, etc. Any expenditure should meet the criteria set out under 'Working Meals' as set out in paragraph 5.3.2 of these AAls.

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All catering costs associated with training courses should be charged to the relevant training program. Note that while annual planning days are treated as seminars and are not subject to the additional requirements relating to official hospitality, other business meetings are a form of official hospitality.

- catering costs associated with courses conducted by ACBPS (these should be included as a cost associated with the training and should be included as part of the cost of those courses).
- hospitality for Commonwealth Ministers and Members of Parliament within Australia (these should normally be charged to the relevant Ministerial hospitality account)
- hospitality at Commonwealth Government-sponsored international conferences or external Commonwealth entity-funded conferences.

5.2.2 Expenditure on these items is:

- subject to the standard departmental delegations and not the limited delegations applying to official hospitality and
- not subject to the requirement to complete the '[Official Hospitality - Request for Hospitality](#)' form and the '[Official Hospitality – Acquittal of Expenditure on Official Hospitality](#)' form.

5.3 Acceptable forms of official hospitality - working meals

5.3.1 When a meal is attended by officials from at least one other Commonwealth entity and is for the purpose of transacting official business during the meal, all reasonable costs may be charged to official hospitality. Working lunches must not include alcohol. Evening meals may include alcohol, but are subject to the restrictions contained in the Practice Statement C_LDR18 Drug and Alcohol Management Program.

5.3.2 Expenditure on working lunches may be charged to official hospitality when the meeting and meal includes officials from other Commonwealth entities and/or business enterprises and official business is concluded during the mealtime. This type of working lunch would usually have the following characteristics:

- be hosted at the work/meeting location
- not be a regular occurrence and
- be of simple standard involving relatively low charges per head (eg sandwiches and/or light finger food) and not including alcohol.

5.3.3 The number of Commonwealth officials attending functions should generally be restricted to those who are able to advance public business or where the Commonwealth may benefit by their attendance.

- 5.3.4 Catering for official functions and working lunches – conducted on-site on ACBPS premises - is not subject to FBT.

5.4 Other acceptable forms of official hospitality

- 5.4.1 Other acceptable forms of official hospitality include:

- the provision of tea, coffee, soft drinks and light foodstuff at official section/branch meetings or morning teas, usually with an SES presence or a guest speaker - or held as a team building exercise.
- Branch/Division recognition awards that include official hospitality made in accordance with the requirements set out in C_LDR06 Performance Management Policy and the associated Instructions and Guidelines.
- maintenance of a liquor cabinet by SES officials for small scale entertaining when appropriate, provided that approval has been given by a Deputy Chief Executive Officer. Usage is subject to the restrictions contained in C_LDR18 Drug and Alcohol Management Program, and all expenditure associated with this form of hospitality is a fringe benefit and thus liable for FBT.
- purchase of flowers for use in official hospitality at the homes of senior officials or for presentations, in special circumstances and/or to important guests is acceptable.
- purchase of minor gifts of a protocol or public relations nature.
- hospitality for overseas visitors or members of the diplomatic or consular corps when ACBPS has an interest or obligation towards facilitating such visits.
- Hospitality for members of the media when their presence is beneficial to the Commonwealth.

- 5.4.2 Tips should not be paid on official hospitality within Australia. For overseas-based officials, payment of tips at a restaurant, at functions hosted by ACBPS officials, should accord with local custom and not exceed the minimum tip requirement.

5.5 Unacceptable forms of official hospitality

- 5.5.1 Unacceptable forms of hospitality include the use of relevant money for purposes that would appear unreasonable in the view of an impartial observer. The following list, whilst not exhaustive, provides a guide to such types of expenditure/events:
- payment for personal, as opposed to official functions for ACBPS officials on retirement, posting, transfer, extended leave, maternity leave etc.
 - ACBPS Christmas or similar functions
 - donations of relevant money to charities in the form of hospitality etc.

- 5.5.2 The use of relevant money by any official for any of the above, or similar purposes considered unacceptable must result in the official being required to reimburse the full costs of the expenditure to ACBPS.

5.6 Approval and acquittal of expenditure on official hospitality

- 5.6.1 Officials must not enter into an arrangement to provide official hospitality unless they have the delegated power to enter into such an arrangement.
- 5.6.2 Approval of the commitment of relevant money for official hospitality must be obtained in advance of any expenditure. Low dollar value delegations apply to expenditure on official hospitality. These low dollar value delegations are restricted to Customs Level 5 and above officials. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).
- 5.6.3 Officials must complete '[Official Hospitality - Request for Hospitality](#)' form and submit it to the relevant delegate for approval in advance of the expenditure. Once approved, the signed form should be retained by the official.
- 5.6.4 Overseas based officials may seek 'blanket' approval for official hospitality expenditure on recurring functions within a single financial year. The official requesting approval should prepare a list of proposed periodic recurrent expenditure (monthly/quarterly etc) for submission to the relevant delegate for approval in the normal manner. Once approved, the official concerned should maintain a record of actual expenditure compared with the approved spending proposal, and ensure that total expenditure does not exceed the total amount approved. Acquittal of expenditure should be undertaken in the normal manner.
- 5.6.5 It is important that expenditure on all forms of official hospitality is promptly acquitted. The '[Official Hospitality – Acquittal of Expenditure on Official Hospitality](#)' form should be used for this purpose. This should be provided – preferably to the original Approver delegate - within five working days of the function, together with supporting tax invoices, receipts or vouchers for all individual items of expenditure.
- 5.6.6 Acquittal statements are to indicate any variation from the original estimate. The relevant Approver delegate must approve any increase in official hospitality if the actual expenditure exceeds the original estimate and approval.
- 5.6.7 When both the '[Official Hospitality - Request for Hospitality](#)' form and the '[Official Hospitality – Acquittal of Expenditure on Official Hospitality](#)' forms have been completed and signed by the relevant delegate, a copy of the forms should be forwarded to the [Taxation and Debt Management Team](#) Service Branch.
- 5.6.8 Planned spending proposals for official hospitality by officials travelling overseas should be approved by the relevant Approver delegate prior to the official's departure. Once approved, an advance must be provided by the Overseas Travel Officer, which must be acquitted by officials within five days of their return to Australia. For overseas-based officials, normal post

procedures for any advances apply once the relevant Approver delegate has given approval for the expenditure.

- 5.6.9 Requests for official hospitality from overseas-based officials may be extended to include locally-engaged staff (LES) when they are accompanied by the overseas-based official. Official hospitality requests for LES to attend or host a function on their own are not to be approved.
- 5.6.10 Full documentation of both approvals and expenditure on official hospitality are to be retained by the official concerned for the purposes of FBT and financial reporting.
- 5.6.11 Officials must act in accordance with requirements in the Commonwealth Procurement Rules when procuring goods or services to provide official hospitality.

5.7 Failure to obtain approval of expenditure prior to an event

- 5.7.1 If approval is not obtained prior to the provision of hospitality and the event proceeds, the delegate may subsequently refuse to approve the request. If this occurs, the official arranging the event may be personally liable to meet all of the expenses incurred.
- 5.7.2 If actual expenditure on an event exceeds the amount approved by the delegate, the delegate may refuse to approve the acquittal of the additional cost. If this occurs, the official arranging the event may be personally liable to meet the non-approved element of the expense.
- 5.7.3 If alcohol is consumed at a working lunch, the delegate is to refuse to authorise the acquittal of the expense. If this occurs, the official arranging the lunch is personally liable to meet the cost of any alcohol consumed. Officials are on duty during an official hospitality event and are subject to the requirements set out in C_LDR18 Drug and Alcohol Management Program.

5.8 Hospitality – ACBPS official functions

- 5.8.1 When hospitality is offered at official ACBPS functions, the number of ACBPS officials attending should generally comprise the minor proportion of those attending. When an official function is on a small scale, the number of ACBPS officials should be in balance with the number of visitors. When only one or two visitors are being entertained, not more than three ACBPS officials should normally attend.
- 5.8.2 The Chief Executive Officer, Deputy Chief Executive Officers or their partners and overseas based officials may host functions in public venues. Partners of ACBPS officials may be included at such official functions when appropriate. For the purposes of FBT, partners are classified as 'associates' and expenditure in relation to them is included in FBT legislation.
- 5.8.3 Official functions may be hosted by the Chief Executive Officer, Deputy Chief Executive Officers and their partners, senior SES officers or by overseas-based officials in private residences as an alternative to dining out. On these occasions, reimbursement may be claimed for reasonable out of pocket

expenses. Official hospitality expenses can extend to the partners of SES officers and overseas-based officials but not to other members of their families.

5.9 Acceptance of hospitality by officials

- 5.9.1 It is acceptable for ACBPS officials to accept normal forms of hospitality from other Commonwealth entities as detailed in Section 5.3, above.
- 5.9.2 ACBPS officials should never accept any form of hospitality from an external person or organisation when there would be a real or perceived conflict of interest in relation to an official's duties, unless acceptance is approved by the Chief Executive Officer or a Deputy Chief Executive Officer. Further guidance on conflicts of interest is contained in C_LDR12/12 – Conflicts of Interest.
- 5.9.3 In particular, officials involved with an individual or organisation which is in any form of contractual relationship, or is in a situation of potentially entering a contract with ACBPS (eg responding to a Request for Tender (RFT) or similar arrangement), must never accept any form of hospitality from that individual or organisation.
- 5.9.4 Any offers of hospitality such as those detailed in 5.9.2 and 5.9.3, above, must be refused by officials.

5.10 Hospitality – overseas-based officials

- 5.10.1 Officials on long-term overseas postings actively represent and advance ACBPS's priorities internationally by engaging in both official and less formal environments. In order to effectively perform their diplomatic roles, build and maintain professional contacts and capitalise on liaison opportunities with overseas counterparts, it is recognised that some requests for approval for official hospitality are more social in nature. This includes attendance at cultural activities or inter-Commonwealth entity events.
- 5.10.2 Approval for events of this nature may be supported by the Approver delegate provided the request is supported by sufficient rationale relating to the need to hold, or attend such events, including details of how attendance or hosting an event directly benefits ACBPS's international priorities. All such requests must also satisfy the delegate that the proposed expenditure is a proper use of relevant money.

5.11 Hospitality – international visitors

- 5.11.1 Rules relating to the acceptance of hospitality for visiting overseas individuals or organisations are subject to separate requirements - refer to B_INT01 – International Visits.

5.12 Key references

Sections 15, 21 and 23 of the PGPA Act

Section 18 of the PGPA Rule

Sections 1, 2, 6, 7, 9, 10 and 11 of AAI 1: Financial Framework

B_INT01 – International Visits

C_LDR06 – Performance Management Policy

C_LDR12/12 – Conflicts of Interest

C_LDR18 – Drug and Alcohol Management Program

Resource Management Guide No 400: Approval and Commitment of relevant money

6. Gifts and Benefits

6.1 Rules related to receiving gifts and benefits

- 6.1.1 Officials in the course of their work may be offered gifts such as souvenirs, bottles of wine and personal items, or benefits such as sponsored travel, hospitality, accommodation or entertainment.
- 6.1.2 Officials should not generally accept gifts or benefits in the course of their work. However, gifts can be accepted if:
 - the refusal of the gift or benefit could cause cultural offence or
 - attendance at an event is an important means of developing and maintaining relationships with key stakeholders.
- 6.1.3 Officials must not ask for, or encourage, the giving of gifts to themselves or other officials.
- 6.1.4 Officials must not accept a gift of money (except in exceptional circumstances e.g. where the refusal of the money would cause cultural offence).
- 6.1.5 Officials must not accept a gift or benefit which influences, or could be perceived to influence, their decision or action on a particular matter. Further guidance on conflicts of interest is contained in C_LDR12/12 – Conflicts of Interest.
- 6.1.6 The decision to accept a gift must be defensible and able to withstand public scrutiny. Officials should have regard to the general duties on officials in deciding whether to accept a gift.

- 6.1.7 Official travel is not to be used to accumulate bonus points for “Global Rewards” benefits for private purposes.
- 6.1.8 Officials must not accept goods on which the Customs duty, excise or Goods and Services Tax has not been paid.

6.2 Management and disposal of gifts and benefits

- 6.2.1 Gifts or benefits received by officials in the course of their work are treated as relevant property (refer to Section 24 of these AAls).
- 6.2.2 Officials must notify their supervisor if they receive a gift or benefit in the course of their work.
- 6.2.3 ACBPS officials may retain gifts or benefits without approval from a delegate if the value of the gift or benefit does not exceed \$100 (GST inclusive) and is of limited commercial value. Examples of minor gifts or benefits include:
 - small gifts from overseas visitors
 - a formal exchange of gifts between the Australian Government and an overseas Government where the gift is of limited commercial value
 - commemorative gifts such as plaques, cups, coffee mugs, ties, scarves *etc.* and
 - gifts distributed by business associates at certain times of the year eg Christmas provided the acceptance does not constitute a conflict of interest, or the appearance of a conflict of interest.
- 6.2.4 ACBPS officials may not accept or retain gifts or benefits valued in excess of \$100 (GST inclusive) without the written approval of the relevant delegate for their area ie:
 - Deputy Chief Executive Officers
 - National Directors
 - Chief Finance Officer
 - National Managers and
 - Regional Directors / Commanders.
- 6.2.5 When the delegate considers it appropriate to allow an official to accept and retain a gift whose estimated value is more than \$100 (GST inclusive), the gift is to be valued and the official wishing to retain the gift must pay the:
 - cost of any valuation of the gift plus
 - the difference between the value of the gift (GST inclusive) and the sum of \$100.
- 6.2.6 Officials seeking approval for the retention of a gift or benefit valued in excess of \$100 (GST inclusive) should lodge a request with the relevant delegate on

a [‘Request to Accept Gifts/Benefits Offered’](#) form. Requests for approval should include details of the:

- gift or benefit being offered or received
- person or organisation offering the gift or benefit
- the circumstances under which the gift or benefit was offered and
- cost if known or an estimation of the value of the gift or benefit.

6.2.7 If:

- the relevant delegate does not approve the retention of a gift valued at \$100 or more (GST inclusive) by an official, or
- an official does not wish to retain a gift

the gift should be either retained by ACBPS or disposed of in accordance with the requirements contained in Section 25 of these AAls.

6.2.8 The following are exempt gifts and benefits for the purposes of these AAls:

- gifts, benefits, scholarships, bursaries or similar awards resulting from an official’s own endeavours in academic or related fields and
- gifts given to officials by colleagues from staff collections.

6.3 Use of relevant money to purchase property to be gifted

- 6.3.1 Officials must comply with the requirements set out in Section 2 of these AAls when approving the expenditure of relevant money to purchase relevant property to be gifted.
- 6.3.2 Officials must comply with the requirements set out in Section 7 of these AAls when procuring relevant property to be gifted.
- 6.3.3 Approval of spending proposals for gifts/benefits should be obtained in advance of any expenditure. Specific low dollar value delegations apply to approving the expenditure of relevant money on property to be gifted. These low dollar value delegations are restricted to Customs Level 5 and above officials. Copies of all financial Instruments can be accessed on the intranet at [Our Work→Delegations→Finance](#).
- 6.3.4 When approval is being sought for the purchase of a gift or benefit, officials must ensure that they are directly related to official situations related to the role of ACBPS.
- 6.3.5 Gifts offered by ACBPS officials for official purposes should preferably be of an Australian or local theme, made in Australia, and should not be of excessive value. When bestowing the gift, the official should make it clear that the gift is not a personal gift from the official, but is presented on behalf of the Chief Executive Officer of ACBPS.

- 6.3.6 Expenditure on minor gifts of a protocol or public relations nature is acceptable when the presentation is to further the aims of ACBPS. Appropriate items include plaques, calendars, diaries *etc.*
- 6.3.7 Officials must seek approval to purchase and present an official gift as a representative of ACBPS, prior to proceeding with the purchase of a gift. The form [Request for Official Gift Presentation](#) should be completed submitted to the relevant delegate to make a decision. Sufficient detail must be included to allow the relevant delegate to make an informed decision.
- 6.3.8 The provision of items to officials in accordance with the requirements contained in the Awards and Recognition Framework are an acceptable use of relevant money. For further information refer to the [Awards and Recognition](#) page on the Intranet.
- 6.3.9 The provision of gifts or benefits for officials on retirement, posting, transfer, extended leave, maternity leave *etc.* - should be made through staff collections unless the gift or benefit relates to recognition of an official's work in accordance with the Awards and Recognition Framework.

6.4 Gifting of relevant property

- 6.4.1 Only officials with the delegated power to do so can approve the gifting of relevant property.
- 6.4.2 If an official makes an unauthorised gift of relevant property they must personally pay the Commonwealth the value of the relevant property.
- 6.4.3 Officials must have regard to the Commonwealth's general policy for the disposal of relevant property, as outlined in the Finance Minister's Delegation. The Commonwealth's general policy on the disposal of relevant property is that, wherever it is economical to do so, the property should be sold at market price or transferred (with or without payment) to another Commonwealth entity with a need for the property.
- 6.4.4 Despite the Commonwealth's general policy for the disposal of public property, officials may approve a gift of public property where the property is:
- genuinely surplus to ACBPS's requirements and of historical or symbolic significance to the proposed recipient or
 - holds other special significance for the proposed recipient and there are compelling reasons to justify its gifting to that recipient (the specific item and not the type of item must hold special significance) or
 - of low value and
 - otherwise uneconomical to dispose of or
 - the gifting supports the achievement of an Australian Government policy objective.
- 6.4.5 Proposed gifts that do not fall into one of the categories must be referred to the Finance Minister for approval.

6.4.6 Officials must not approve:

- a gift of military firearms or
- a gift that would create an onerous or undesirable precedent.

6.4.7 Officials need to ensure that the grounds on which they approve a gift to a selected recipient are publicly defensible and documented.

6.4.8 Officials must provide written approval for the gifting of relevant property.

6.4.9 Officials must obtain a reasonable estimate of the value of the property before approving it to be gifted. If this is not possible, officials must assign a notional value and record the basis for determining the value of the property.

6.5 Fringe Benefits Tax

6.5.1 Gifts or benefits retained by officials may create a Fringe Benefits Tax liability, which may then cause officials to have a Reportable Fringe Benefits Amount included on their payment summary. This may impact on individual officials' tax liabilities, welfare payments or support payments under certain circumstances. Officials are personally responsible for determining those effects when considering the acceptance of gifts or benefits.

6.6 Key references

Sections 23, 66, 67, 68, 69, and 70 of the PGPA Act

Section 18 of the PGPA Rule

Sections 2, 7, 24, 25 and 31 of AAI 1: Financial Framework

CEI 3.1/3 Guidelines for the Gifting of Public Property

C_LDR12/12 – Conflicts of Interest

Awards and Recognition Framework

Resource Management Guide No. 203: General Duties of Officials

Part 3 – Procurement

7. Procurement Processes

7.1 What is procurement?

7.1.1 Procurement includes the whole process of acquiring goods or services. It begins when an official identifies a need to procure a good or service, continues through to the signing of the procurement contract and its ongoing management, including expiry, termination and/or consideration of disposal.

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- 7.1.2 Procurement also covers a situation where ACBPS acquires goods or services on behalf of another entity or a third party – for example where goods are procured to be gifted to a third party. For additional information relating to the gifting of relevant property refer to Section 6 of these AAls.
- 7.1.3 Questions about whether a particular financial arrangement is a procurement or another type of activity should be directed to [National Procurement and Contracting](#).

7.2 The procurement framework

- 7.2.1 The Procurement Framework governs duties related to the procurement of goods and services and includes:
- The Commonwealth Procurement Rules (CPRs) which set out the rules that ACBPS officials must comply with when they procure goods and services.
 - The Department of Finance's Procurement Policies
 - Resource Management Guides and
 - These AAls and the related Instructions and Guidelines.

7.3 Responsibilities of officials – general

- 7.3.1 Officials must determine whether a proposed financial arrangement is a procurement prior to applying the CPRs.
- 7.3.2 When undertaking a procurement, officials must:
- comply with the Procurement Framework and
 - comply with the requirements of the PGPA Act and PGPA Rule.
- 7.3.3 Officials must not use third-party arrangements to avoid the rules in the CPRs when procuring goods and services.
- 7.3.4 Officials must act ethically throughout a procurement and treat all potential suppliers to government fairly and equitably.
- 7.3.5 Officials must not seek to obtain benefit from supplier practices that may be dishonest, unethical or unsafe.
- 7.3.6 Officials must ensure that all procurements are a proper use of public resources and contribute to achieving the purposes of ACBPS. Guidance on determining the purposes of ACBPS is included in CEI 2.4/1 Guidelines for the Procurement of Goods and Services.

7.4 Responsibilities of officials – planning a procurement

- 7.4.1 Where there is a coordinated procurement for goods or services, officials must use that procurement, unless exempted. Exemptions are only available where it can be demonstrated that a special need for an alternative arrangement

exists and require the approval of both the Minister for Immigration and Border Protection and the Finance Minister. Details of existing coordinated procurement arrangements are available on the [Department of Finance website](#).

- 7.4.2 Officials must determine the most efficient, effective and appropriate procurement method, proportional to the scale, scope and risk of the procurement.
- 7.4.3 Officials must estimate the maximum value (including GST) of the proposed procurement prior to selecting a procurement method (i.e. open tender, prequalified tender or limited tender). Any taxes or charges, extension and other options, and all forms of remuneration must be included when estimating the value of the procurement.
- 7.4.4 Where the maximum value of a procurement cannot be estimated, officials must treat the procurement as being valued above the relevant procurement thresholds. The relevant procurement thresholds are:
- procurements other than for procurements of construction services - \$80,000 (GST Inclusive) and
 - procurements of construction services - \$7.5 million (GST Inclusive).
- 7.4.5 Some types of procurements must be coordinated though [National Procurement and Contracting](#). These include procurements that involve:
- coordinated procurements arrangements
 - the use of an existing procurement contract of another Commonwealth entity (also known as cooperative procurement)
 - the use of established panels, including panels established by another Commonwealth entity
 - approaches to market where the estimated value is at or above the relevant procurement threshold
 - the execution of a formal written contract (formal written contract excludes purchase orders)
 - guarantees, warranties or indemnities (see Section 3 of these AAls) and
 - procurements of consultancy services.
- 7.4.6 Procurement Spending Proposal is required for all procurements at or above the relevant procurement threshold or those types of procurements identified above. [National Procurement and Contracting](#) must provide a template.
- 7.4.7 Officials must not divide a procurement into separate parts solely for the purpose of avoiding a relevant procurement threshold.
- 7.4.8 Officials must include the maximum value of all procurement contracts where a procurement is conducted in multiple parts, with contracts awarded either at the same time or over a period of time with one or more supplier.

- 7.4.9 Officials must actively manage the risks associated with a procurement, including:
- identifying, assessing, allocating and treating the risks, proportionate to the scale and scope of the procurement (see CEI 2.4/1 Guidelines for the Procurement of Goods and Services)
 - generally not accepting risks which another party is best placed to manage and
 - complying with the Commonwealth's policy on indemnities, guarantees and warranties. For additional guidance on indemnities, guarantees and warranties refer to Section 3 of these AAls.
- 7.4.10 If officials intend to use an existing procurement contract of another entity, the initial request documentation and the contract must have already specified potential use by other entities. All procurements involving the use of an existing procurement contract of another entity must be coordinated through [National Procurement and Contracting](#).
- 7.4.11 When using an existing procurement contract of another entity, officials must ensure that:
- value for money is achieved
 - the goods and services being procured are the same as provided for within the contract and
 - the terms and conditions of the contract are not being materially altered.

7.5 Responsibilities of officials – procurement method

- 7.5.1 Officials must comply with the additional rules for a procurement in the CPRs for goods or services valued at or above the relevant procurement thresholds (see Section 7.4.5), unless the procurement is exempted from the additional rules by Appendix A in the CPRs.
- 7.5.2 Officials must undertake an open tender or prequalified tender process for all procurement valued at or above the relevant procurement thresholds, unless it:
- meets the conditions for limited tender in the Additional rules in the CPRs or
 - is exempt from the additional rules in the CPRs.

7.6 Responsibilities of officials – approaches to market

- 7.6.1 All open tenders must be coordinated through [National Procurement and Contracting](#).
- 7.6.2 If an official decides to undertake an open tender process (including expressions of interest, requests for tenders, other open approaches to the

market and any addenda), they must use AusTender to publish the tender and, to the extent practicable, make relevant request documentation available.

- 7.6.3 Officials may use AusTender to make relevant request documentation available if they choose a prequalified tender or limited tender approach to market.
- 7.6.4 Agencies must not publish or advertise open approaches to market in the media. The Chief Executive Officer or their delegate can consider an exemption from this requirement if the advertising is intended to target potential suppliers in remote or overseas locations that have limited access to the online environment. This approval must be in writing. If an official obtains approval to publish or advertise the open approach to market in the media the details selected for inclusion in the notification must be the same as those published on AusTender.
- 7.6.5 Where an official provides request documentation that is already published on AusTender in another form, the document must be the same as that published on AusTender.
- 7.6.6 If an official has established a multi-use list, they must publish a notice of the multi-use list on AusTender. The publication requirements are:
- where a multi-use list is open to applications at any time, officials must publish continuously on AusTender an approach to market inviting applications during the entire period of the multi-use list's operation.
 - Where a multi-use list is updated only at specific times and according to set deadlines, officials must re-publish on AusTender at least once every 12 months an approach to market inviting applications.
- 7.6.7 Officials must ensure that potential suppliers and tenderers are dealt with fairly and in a non-discriminatory manner when providing information leading to, or following, an approach to market.
- 7.6.8 Officials must include all necessary information in the request documentation to enable potential suppliers to prepare and lodge submissions, including (but not limited to):
- the nature and scope of the goods or services and any requirements to be fulfilled
 - any conditions for participation
 - any minimum content and format requirements
 - evaluation criteria to be considered in assessing submissions and
 - any other terms or conditions relevant to the evaluation of submissions.
- 7.6.9 When prescribing specifications in request documentation officials must:
- not include any specification or conditions that create unnecessary obstacles to trade

- define specifications in terms of performance and functional requirements and
 - ensure specifications are consistent with international standards, except where the international standards would fail to meet ACBPS's requirements or would impose greater burdens than the use of recognised Australian standards.
- 7.6.10 Officials must not use trademarks or trade names, patents, copyrights, designs or types, specific origins, producers or suppliers when specifying the features of goods or services being procured. In exceptional circumstances, where there is no other sufficiently precise or intelligible way of describing the requirement officials must include words such as "or equivalent" in the specification.
- 7.6.11 If conditions for participation are included in a procurement, officials must limit those conditions to the legal, commercial, technical and financial abilities necessary for the supplier to fulfil the procurement.
- 7.6.12 Officials must not include a condition for participation that a potential supplier has previous experience with ACBPS, the Australian Government or in a particular location.
- 7.6.13 Officials must avoid a potential supplier, or group of potential suppliers, gaining an unfair advantage.
- 7.6.14 Officials must provide to all potential suppliers all modifications, amendments or reissued documents and allow adequate time, if required, for them to modify and re-lodge submissions, where the evaluation criteria or specifications set out in an approach to market or in request documentation is modified, or where an approach to market or request document is amended or reissued.
- 7.6.15 Officials must ensure that a supplier who has assisted in the design of specifications in a procurement does not have an unfair advantage over other potential suppliers.
- 7.6.16 Officials must require potential suppliers to lodge submissions in accordance with a common deadline and provide sufficient time for potential suppliers to prepare and lodge submissions.
- officials must allow potential suppliers at least 25 days from when the approach to market for an open tender or a prequalified tender is published (30 days if not issued electronically), unless a condition to reduce the time limit to no less than 10 days is met.
 - Each approach to market must comply with the time limit, including each approach in the case of a multi-stage procurement.
 - Where a registration procedure is a condition for participation officials must state the time limit for responding to the registration in the approach

to market and allow sufficient time for a potential supplier to complete the registration procedure within the time limit for the procurement.

- 7.6.17 Officials must ensure that where a time limit is extended, the new time limit is applied equitably.
- 7.6.18 Officials must not accept late submissions unless the submission is late as a consequence of mishandling by ACBPS. Officials must not penalise a potential supplier if their submission is late as a consequence of mishandling by ACBPS.
- 7.6.19 Officials must promptly reply to any reasonable request from a potential supplier for relevant information about a procurement.
- 7.6.20 Officials must receive and open submissions fairly and impartially. Where officials provide tenderers with an opportunity to correct unintentional errors of form between the opening of submissions and any decision, officials must provide the opportunity equitably to all tenderers.
- 7.6.21 Officials must treat all tender submissions as confidential before and after awarding the procurement contract.
- 7.6.22 Officials must ensure that request documentation, tender assessment plans and tender assessment processes are consistent with the CPRs.
- 7.6.23 Officials must not cancel a procurement, or terminate or modify a procurement contract, to avoid the additional rules.
- 7.6.24 Officials must ensure that procurements achieve a value for money outcome.

7.7 Responsibilities of Officials – assessing tenders

- 7.7.1 Officials must ensure that any tender assessment is:
 - consistent with the request documentation and
 - fair and equitable.
- 7.7.2 When evaluating a potential supplier's suitability against the conditions for participation, officials must limit the evaluation to the financial, commercial and technical abilities, as specified in either the approach to market or request documentation.
- 7.7.3 Unless it is not in the public interest to award a procurement contract, officials must award the procurement contract to the tenderer that:
 - satisfies the conditions for participation
 - is fully capable of undertaking the contract and
 - provides the best value for money.
- 7.7.4 [National Procurement and Contracting](#) should be consulted prior to the disqualification or rejection of a submission or award of a procurement

contract. Tenderers affected by the resultant decision must be promptly informed and officials must provide debriefings on request.

- 7.7.5 For unsuccessful tenderers, the debriefing must include the reasons the submission was unsuccessful.

7.8 Simplified procedures for low value, low risk procurements

- 7.8.1 The majority of procurements undertaken by ACBPS are low value (below the relevant procurement threshold) and low risk. A streamlined process is available for low value and low risk procurements.
- 7.8.2 Officials must ensure that any procurement will achieve a value for money outcome.
- 7.8.3 When determining the method of procurement for procurements that are below the relevant procurement threshold and not the subject of a coordinated procurement, cooperative agency procurement, [existing panel arrangement](#) or from a prequalified list, officials should take into account the options set out in the following table:

Value (GST Inclusive)	Method of Procurement
Under \$5,000	<ul style="list-style-type: none"> Limited tender (1 or more verbal or written quotations)
\$5,000 to under \$10,000	<ul style="list-style-type: none"> Limited tender (1 to 3 verbal or written quotations)
\$10,000 to under \$80,000	<ul style="list-style-type: none"> Limited tender (1 to 6 written quotations) Open Tender may be undertaken dependent upon the nature of the requirement or the degree of risk (coordinate though National Procurement and Contracting)

- 7.8.4 If an official chooses to undertake an approach to market they must comply with the requirements set out in Sections 7.6 and 7.7 of these AAls.

7.9 Responsibilities of officials – developing a procurement contract

- 7.9.1 Officials must determine if the terms in a procurement contract need to be kept confidential and identify in the contract the terms that must be kept confidential (further information on [Confidentiality Throughout the Procurement Cycle](#) is available on the Department of Finance website).
- 7.9.2 Officials must ensure the procurement contract requires contractors to agree to the public disclosure of the names of any subcontractors and to inform the relevant subcontractors that their names may be publicly disclosed.

7.10 Responsibilities of officials – entering into or varying a procurement arrangement

- 7.10.1 Officials must ensure that they have a delegation to enter into or vary a procurement contract.
- 7.10.2 Officials must be satisfied that the procurement achieves a value for money outcome.
- 7.10.3 Officials must ensure that the procurement arrangement is consistent with the approval for the proposed commitment. For information about the approval of a proposed commitment refer to Section 2 of these AAls.
- 7.10.4 Officials must not enter into a procurement arrangement where there is no end date, unless it allows for periodic review and the ability to be terminated by ACBPS where it no longer represents value for money.

7.11 Responsibilities of officials – reporting contracts awarded

- 7.11.1 Officials must ensure that appropriate documentation is developed and retained for each stage of a procurement, including the administration of arrangements.
- 7.11.2 Officials should determine the level of documentation required, proportionate to the scale, scope and risk of the procurement.
- 7.11.3 Officials must ensure that there is sufficient documentation to justify the procurement, demonstrate the processes followed and record relevant decisions.
- 7.11.4 Where a limited tender is conducted for procurements valued at or above the relevant procurement threshold, officials must prepare a written report outlining the value and description of goods or services procured, justification for the use of the limited tender, and how the procurement represents value for money in the circumstances.
- 7.11.5 [National Procurement and Contracting](#) must facilitate the publication of details of a procurement contracts or contract variations or extensions, valued at or above \$10,000. To ensure that the requirement to publish details of the procurement contract or contract variation or extension on AusTender within 42 days of entering into the arrangement is met, officials should forward the executed contract to [National Procurement and Contracting](#) within 28 days of entering into the procurement contract.
- 7.11.6 Regardless of value, standing offer arrangements must also be reported on AusTender within 42 days of entering into or varying the arrangement, and include details of other relevant entities participating in the arrangement. These must be reported and kept current.

7.12 Responsibilities of officials – administering procurement contracts

- 7.12.1 Officials must ensure that they have a delegation to administer a procurement contract.
- 7.12.2 Officials must have appropriate documentation with the supplier (for example, a purchase order or other written contract).
- 7.12.3 Officials must actively manage all procurement arrangements. Where there is non-compliance with a procurement arrangement, officials should take appropriate action consistent with the arrangement. [Legal Services Branch](#) must be consulted for advice about serious or persistent non-compliances.
- 7.12.4 Officials must make available, on request, the names of subcontractors engaged by a contractor in respect of a procurement arrangement.
- 7.12.5 Officials must ensure that arrangements variations or extensions are approved and entered into by a relevant delegate.
- 7.12.6 Officials must ensure that payments under the arrangement (which are part of the administration of the arrangement) are made or authorised by a relevant delegate.

7.13 Key references

Sections 23, 60 and 102(c) of the PGPA Act

Commonwealth Procurement Rules

Commonwealth Grant Rules and Guidelines

Sections 1, 2, 3 and 8 of AAI 1: Financial Framework

CEI 2.4/1 Guidelines for the Procurement of Goods and Services

CEI 2.4/2 Guidelines for the Application of the Superannuation Guarantee Legislation to Independent Contractors

CEI 2.5/1 Guidelines for the Development and Management of Contracts

Resource Management Guide 411: Grants, Procurements and Other Financial Arrangements

Part 4 – Grants

8. Grants

BCS CLASSIFICATION:

FILE NUMBER:

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8.1 What is a grant?

8.1.1 For the purposes of the Commonwealth Grant Rules and Guidelines (CGRGs) a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:

- under which relevant money or other CRF money is to be paid to a recipient other than the Commonwealth and
- which is intended to assist the recipient achieve its goals and
- which is intended to help address one or more of the Australian Government's policy objectives and
- under which the recipient may be required to act in accordance with specified terms or conditions.

8.1.2 The following arrangements are not grants:

- procurements of goods or services
- certain compensation payments
- act of grace payments
- tax concessions or offsets
- certain benefits payable under other legislation (such as payments of entitlements made through the *Social Security (Administration) Act 1999*)
- payments made to a State or a Territory under the *Federal Financial Relations Act 2009* and
- payments treated by the Commonwealth as Official Development Assistance.

8.1.3 Officials must liaise with [National Procurement and Contracting](#) and [Legal Services Branch](#) in relation to entering a grant arrangement. Grant arrangements raise constitutional law issues as a result of recent High Court decisions.

8.1.4 Granting activities can take a variety of forms including payments made:

- as a result of competitive or non-competitive selection processes
- where particular criteria are satisfied or
- on a one-off or ad hoc basis.

8.1.5 The CGRGs apply to all forms of granting activity.

8.1.6 Grants administration covers all processes involved in granting activities and includes:

- planning and design

- selection and decision-making
- the making of a grant
- the management of a grant agreement
- the ongoing relationship with grants recipients
- reporting and
- review and evaluation.

8.1.7 Officials must establish and document whether a proposed activity is a grant based on advice from [National Procurement and Contracting](#) and [Legal Services Branch](#) before applying the CGRGs.

8.2 General requirements

8.2.1 The Finance Minister must be consulted before entering into any discretionary granting arrangements.

8.2.2 When performing duties in relation to grants administration officials must comply with relevant government policies and legislation. In particular, officials must:

- act in accordance with the CGRGs
- have regard to the seven key principles that apply to grants administration. These principles are set out in Section 8.1.6.
- keep commercially sensitive information secure and never use it for personal gain or to prejudice grants administration processes
- disclose information that the Government requires to be notified
- disclose any form of current or prospective personal interest that might create a conflict of interest and
- not use clauses in grant agreements that seek to limit, prevent or ban a not-for-profit organisation from advocating on policy issues.

8.2.3 If ACBPS decides to conduct a grant activity on a one off or ad hoc basis involving recipients that have not been selected using a competitive selection process, officials should document the rationale adopted in selecting the recipients.

8.3 Developing grant guidelines

8.3.1 Officials must ensure that grant guidelines are:

- developed for all new granting activities, and revised where significant changes have been made to the current granting activity
- consistent with the CGRGs

- made publicly available (including on ACBPS's website), except where there is a specific policy reason to not publicise the grant guidelines or the grant is provided on a one-off or ad hoc basis and
- when developing or revising guidelines, officials must conduct a risk assessment on the granting activities and associated guidelines, in consultation with the ACBPS Advice Unit in Finance and the Department of the Prime Minister and Cabinet to obtain agreement on the risk level of the granting activity. The assessed level of risk determines the process to be followed to gain approval to publish the guidelines.

8.3.2 Before entering into a grant agreement (or making a grant payment where there is no written agreement), officials must ensure that:

- they have authority to enter into the grant
- the requirements relating to the commitment of relevant money contained in Section 2 of these AAls have been complied with and
- the basis for awarding the grant (i.e. the substantive reasons) is recorded in writing, in addition to the approval itself.

8.4 Supporting the Minister

8.4.1 Officials must ensure that the Portfolio Minister is advised of his or her responsibilities under the PGPA Act and Rule and the CGRGs.

8.4.2 Where a Minister approves a proposed expenditure of relevant money in relation to a grant, he or she must be satisfied, after making reasonable inquiries, that the grant would be a proper use of public resources.

8.4.3 Officials must ensure that the Minister receives advice on the proposed grant, before the Minister makes a decision. Advice on the proposed grant must, at a minimum:

- explicitly note that the proposed expenditure being considered for approval is a 'grant'
- provide information on the applicable requirements of the PGPA Act, Rule and the CGRGs (particularly the requirement relating to proper use of relevant money and any ministerial reporting obligations), together with the legal authority for the grant
- that the recipient was not identified using a competitive selection process and the rationale followed in selecting the recipient and
- include the merits of the proposed grant or grants relative to the grant guidelines and the key consideration of achieving value with relevant money.

8.4.4 Each time a Minister, who is a member of the House of Representatives, approves a grant in respect to his or her own electorate, officials must ensure

that the Minister writes to the Finance Minister advising of the details. This requirement does not apply where grants are awarded Australia-, state- or region-wide on the basis of a formula, and any of those grants fall in the Minister's electorate. Presiding officers of the Departments of the Parliament are not required to report to the Finance Minister.

- 8.4.5 Officials must ensure that the Minister, whether from the Senate or the House of Representatives, reports annually (by 31 March for the preceding calendar year) to the Finance Minister on all instances where they have approved any grants which ACBPS recommended be rejected and, if so, outline the basis of the approval for each grant. Presiding officers of the Departments of the Parliament are not required to report to the Finance Minister.

8.5 Grant reporting

- 8.5.1 Officials must ensure that information on individual grants is published on the ACBPS website within fourteen working days of the grant agreement taking effect. Once operational, ACBPS must report on the whole-of-government register instead.
- 8.5.2 If public reporting of a grant would be contrary to the *Privacy Act 1988*, other statutory requirements, or the specific terms of the grant agreement, officials must publish as much information as legally possible and must document the reasons for not reporting fully. [Legal Services Branch](#) must be consulted about these issues.
- 8.5.3 If publishing grant information could adversely affect the achievement of government policy outcomes, an exemption from public reporting can be sought from the Finance Minister.
- 8.5.4 Grant information should be retained on the ACBPS website for at least two financial years. Once operational, ACBPS must report on the whole-of-government register instead. If this is not practicable, officials must retain appropriate records of the information and ensure that these records are available on request.
- 8.5.5 Officials must identify whether a grant agreement contains special confidentiality provisions.
- 8.5.6 Officials must ensure that ACBPS complies with any other grant reporting requirements established by the Parliament.

8.6 Key references

Section 102 of the PGPA Act

Section 32B and 32C of the *Financial Framework (Supplementary Powers) Act 1997* and associated Regulations

Finance Minister's Delegation

Commonwealth Grant Rules and Guidelines

Commonwealth Procurement Rules

Sections 1, 2 and 7 of AAI 1: Financial Framework

CEI 6.8/1 Guidelines for the Administration of Grants

Resource Management Guide 411: Grants, Procurements and Other Financial Arrangements

Resource Management Guide 412: Australian Government Grants: Briefing and Reporting

Part 5 – Credit Cards

9. Commonwealth credit cards

9.1 What is a credit card?

9.1.1 Credit card is the generic term used to describe the cards or vouchers such as Cabcharge E-tickets used to enter into any form of third party borrowing arrangement from the suppliers of goods or services. Within ACBPS, credit card includes:

- Westpac MasterCard
- Diners travel cards (Diners Club virtual credit card used to pay for airfares, accommodation and car hire in accordance with the Whole of Australian Government travel arrangements)
- Cabcharge e-tickets and
- fuel cards for use with official vehicles.

9.1.2 Specific guidance on the use of Westpac MasterCards, Diners travel cards, Cabcharge e-tickets and fuel cards is contained in the related Instructions and Guidelines.

9.2 Officials with a delegation to enter into borrowing arrangements for credit cards

9.2.1 When entering into a borrowing agreement for the issue of and use of credit cards officials must:

- ensure that they have the delegated power to enter into borrowing arrangements
- ensure that they comply with the requirements relating to approving commitments of relevant money

- ensure that the procurement of the credit card arrangement is undertaken in accordance with the requirements contained in the CPRs
- comply with the directions contained in the Finance Minister's Delegation and any additional requirements contained in the Instrument of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#) and
- ensure that the borrowing arrangement requires the amount to be repaid within 90 days of the Commonwealth being notified of the amount borrowed.

9.3 Restrictions on the use of credit cards for private expenditure

- 9.3.1 Officials must not use their Commonwealth credit card or credit card number for solely private expenditure.
- 9.3.2 The CEO can specify arrangements authorising the holder of a credit card to pay a claim that includes both official and coincidental private expenditure. Only those officials with the appropriate authority may use a Commonwealth credit card or card number for items of coincidental private expenditure. Officials provided with such authority are required to reimburse the Commonwealth for coincidental private expenditure in accordance with the terms of the CEO's authorisation.
- 9.3.3 Officials travelling overseas are permitted to use their Commonwealth credit card to pay a claim that includes both official and coincidental private expenditure. The coincidental private expenditure forms part of the international travel acquittal that must be completed no later than 28 days following the completion of the travel. Additional guidance in relation to the acquittal of international travel is contained in Section 4 of these AAls and the associated Instructions and Guidelines.
- 9.3.4 If an official uses a Commonwealth credit card or credit card number for private purposes without authorisation from the Chief Executive Officer, that official must provide a written report to their supervisor within 48 hours of identifying such use, detailing the circumstances in which the card was used for private expenditure. The debt incurred by an official through the use of a Commonwealth credit card or credit card number for private expenditure is required to be repaid to the Commonwealth within 7 days of the end of the billing period.
- 9.3.5 If the use of the credit card or credit card number is deemed inappropriate or potentially a deliberate misuse of the credit card or credit card number, the official concerned may also be subject to disciplinary action.

9.4 Cardholders responsibilities

- 9.4.1 Cardholders:

- have a spending delegation equal to the transaction and monthly limits approved for their credit card. They must not split a single transaction in order to circumvent their transaction or monthly limits.
- must ensure that approval is obtained from the relevant delegate before paying for international travel, official hospitality, gifts or benefits using a credit card.
- must comply with the procurement requirements set out in the CPRs. This includes complying with the mandatory Whole of Australian Government (WoAG) arrangements when procuring goods or services using credit cards. The mandatory WoAG arrangements cover a wide range of goods and services including stationery and office supplies, desktop hardware, government advertising and travel. This list is not exhaustive. Details of all mandatory WoAG arrangements are available on the [Department of Finance's](#) website. Where there is a mandatory WoAG arrangement in place officials must procure the goods or services from the nominated supplier.
- must retain a copy of all documentation relating to the use of their Westpac MasterCard (eg sales dockets, tax invoices, receipts, renewal notices, approvals etc), and reconcile these records against the amounts recorded in the Expense Management System (EMS). The documentation must be retained in a registry file. If supporting documentation is lost or otherwise unavailable officials should request a copy from the vendor. If they are unable to obtain the supporting documentation they must complete a:
 - [Corporate Credit Cards - Lost Tax Invoice / Receipt Record Form](#) where the value is less than \$82.50 (GST Inclusive) or
 - Statutory Declaration where the value is equal to or greater than \$82.50 (GST Inclusive). Note that no claims can be made for Goods and Services Tax if a valid tax invoice is not held.
- have the option to upload copies of the documentation into the EMS. This is not mandatory and does not replace the requirement to maintain a copy of the documentation in a registry file (unless an exemption has been obtained in accordance with the provisions contained in Practice Statement C_IMT04 Records Management).
- must never use their credit card to draw cash from a bank or merchant.
- must not use a credit card or credit card number for the purchase of capital assets [assets costing more than \$5,000 (GST exclusive)].
- notify their Divisional Finance Manager or the [Manager Assets and Projects](#), Services Branch of any purchases of portable and attractive items valued between \$500 and \$5,000. Additional guidance in relation to portable and attractive items is contained in Section 26 of these AAls and the associated Instructions and Guidelines.

- should not use their credit card to pay for IT hardware or software. These procurements should be co-ordinated through ICT Business Operations.
- must dispute any transactions which they believe to be incorrect within the period specified by the credit card provider.
- must comply with the requirements included in other sections of these AAls. For example when using a credit card to pay for official hospitality or gifts officials should ensure that the appropriate paperwork has been completed.
- must consider whether the use of the Commonwealth credit card is the most cost effective option in the circumstances.
- must comply with the requirements related to approving commitments of relevant money set out in Section 2 of these AAls before entering into an arrangement or expending relevant money.
- must ensure that their Commonwealth credit cards are stored safely and securely.

9.5 Acquittal of transactions in the EMS

9.5.1 Transactions on the following types of credit cards must be acquitted in the EMS:

- Westpac MasterCard and
- Diners travel cards.

9.5.2 Purchases made using a credit card must be acquitted or disputed in the EMS in a timely manner and, in any case, no later than 3 working days after the end of calendar month in which the expenditure was incurred. The only exception to this requirement is for purchases made by maritime crew immediately preceding the commencement of a patrol. In this situation the expenditure must be acquitted within 7 days of completing the patrol.

9.5.3 Cardholders must ensure that they code their transactions within the EMS to the correct organisational code and nominal.

9.6 Authorisation of transactions in the EMS

9.6.1 After transactions have been acquitted in the EMS they are forwarded to the relevant official for authorisation. Officials must ensure that they either authorise or query transactions within 5 working days of receiving the notification from the EMS that an acquittal is waiting for authorisation.

9.6.2 As the expenditure on the credit card occurs before the authorisation process the role of the authoriser is to check that:

- the expenditure is for official purposes
- appropriate documentation exists

- the expenditure has been coded to an appropriate organisation code and
- the expenditure has been coded to an appropriate nominal.

9.7 Loss or theft of a Commonwealth Credit Card

9.7.1 In the event of the loss of a Commonwealth credit card, the official concerned must:

- report the loss of the card in accordance with the requirements set out in the relevant Instructions and Guidelines
- advise their supervisor in writing of the circumstances of the loss and
- complete an Incident Report form together with a Statutory Declaration in relation to the circumstances of the loss.

9.7.2 If theft or other suspicious circumstances are suspected by an official in relation to the loss of a credit card, the matter must also be reported to the police and [Integrity and Professional Standards Branch](#).

9.8 Mandatory compliance surveys

9.8.1 Officials within Services Branch may conduct compliance surveys designed to identify non-compliance with the provisions of these AAls and the conditions contained in the relevant Instructions and Guidelines. Completion of these surveys is mandatory.

9.9 Persistent non-compliance

9.9.1 Internal and external audit conduct compliance audits aimed at identifying the misuse of credit cards and compliance issues. In addition, officials within Services Branch must conduct a quality assurance process aimed at identifying instances of non-compliance with the provisions of these AAls and the conditions contained in the cardholder agreement signed by Westpac MasterCard cardholders when receiving their Westpac MasterCard. Officials within Services Branch must maintain a register detailing any breaches of the requirements and take appropriate remedial action including suspension or cancellation of the Westpac MasterCard if ongoing non-compliance by the same cardholder is identified. Further details are contained in CEI 4.1/2 Guidelines for the Issue and Use of Westpac MasterCard.

9.9.2 A formal escalation process has been developed to address each aspect of non-compliance with the provisions of these AAls and the conditions contained in the cardholder agreement. The processes adopted vary and are relative to the severity of the non-compliance identified and may include:

- a formal notification letter requesting that the cardholder show cause why their Westpac MasterCard should not be suspended or cancelled or
- the automatic cancellation of the Westpac Mastercard and/or negative PAF outcomes and/or a formal note being maintained on the employee's personnel records and/or the referral of the issue to Integrity and

Professional Standards Branch where the non-compliance is assessed as severe.

Further details are contained in CEI 4.1/2 Guidelines for the Issue and Use of Westpac MasterCard.

9.10 Key references

Section 56 of the PGPA Act

Finance Minister's Delegation

Sections 1, 2, 3, 4, 5, 7, 10, 11, 14, 26 and 31 of AAI 1: Financial Framework

CEI 4.1/1 Guidelines for the Issue and Use of Cabcharge e-tickets

CEI 4.1/2 Guidelines for the Issue and Use of Westpac MasterCard

CEI 4.1/3 Guidelines for the Issue and Use of Fuel Cards

CEI 4.2/5 Acquitting and Authorising Expenditure on Diners Travel Cards

ANAO Report 37: Management of Credit Cards

Part 6 – Making Payments of Relevant Money

10. Drawing Rights

10.1 What are drawing rights?

10.1.1 Drawing rights allow ACBPS to set conditions and limits over who can make a payment of relevant money.

10.2 Responsibilities of officials

10.2.1 Officials must not make a payment of relevant money unless authorised to do so by a valid drawing right.

10.2.2 Officials must exercise a drawing right in accordance with any limits and conditions imposed on the drawing right.

10.3 Responsibilities of officials – officials with a delegation to issue, revoke or amend drawing rights

10.3.1 When issuing, revoking or amending drawing rights, officials must comply with:

- the directions in the delegation from the Finance Minister and
- any directions in the delegation from the CEO.

10.3.2 Officials may revoke any drawing right issued by themselves, or their delegate.

- 10.3.3 Where a law requires the payment of an amount of relevant money, and there is an available appropriation for that payment, officials must issue sufficient drawing rights to allow the amount to be paid in full.

11. Making payments

11.1 Making payments of relevant money

- 11.1.1 Relevant money is money that ACBPS holds as cash or in their bank accounts. Relevant money does not include other CRF money – for money of that type refer to Section 19 of these AAls.
- 11.1.2 The requirements relating to making payments of relevant money applies to all payments, including both manual and automated payments. A payment involves the transfer of cash, the issuing of instructions to process an Electronic Funds Transfer, the execution and issuing of a cheque, the use of a debit card or through another process.

11.2 Responsibilities of officials

- 11.2.1 Officials must not make a payment of relevant money unless they have been delegated power or been authorised to do so by an ACBPS Instrument of Delegation or Authorisation.
- 11.2.2 Officials must exercise the power to make a payment in accordance with any limits and conditions imposed in relation to the relevant delegation or authorisation.
- 11.2.3 If officials are administering an arrangement, they must ensure that they have authority to do so. The power to administer an arrangement must be delegated to the official, or the official must be authorised to exercise that power by an ACBPS Instrument of Delegation or Authorisation. The arrangement must be within the scope of the relevant delegation or authorisation.
- 11.2.4 Officials must ensure that payments under the arrangement (which are part of the administration of the arrangement) are made or authorised by a relevant delegate.

11.3 Responsibilities of officials - payments pending probate

- 11.3.1 A payment pending probate relates to an amount which the Commonwealth owes to a person at the time of their death. A specific delegation applies to approving payments pending probate.
- 11.3.2 Officials must not authorise a payment pending probate unless they have the delegated power to do so.
- 11.3.3 When authorising a payment pending probate, officials must comply with any directions in relation to the delegation from the CEO.
- 11.3.4 If ACBPS owes an amount to a person at the time of their death, an official may authorise payment of that amount to the person who they consider

should receive the payment, if the official have been delegated the power to do so.

11.3.5 When deciding who should be paid, officials must consider the people who are entitled to the property of the deceased person under that person's will or the law relating to the disposition of the property of deceased persons.

11.3.6 Officials may authorise the payment without requiring production of:

- probate of the will of the deceased person or
- letters of administration of the deceased person's estate.

11.3.7 Before authorising the payment, officials must ensure that the payment is not covered by other legislation and must obtain advice from [Legal Services Branch](#) about the proposed payment.

11.4 Key references

Sections 21, 23, and 76 of the PGPA Act

Section 25 of the PGPA Rule

Sections 1, 2 and 9 of AAI 1: Financial Framework

CEI 1.1/2 Guidelines for the Issue, Receipt and Security of Cheques

CEI 2.6/1 Guidelines for the Payment of Accounts

CEI 2.6/2 Guidelines for the Issue and Processing of Credit Notes and Adjustments

Resource Management Guide No. 402: Payment of amount owed to person at time of death

Resource Management Guide 417: Supplier Pay On-Time or Pay Interest

Resource Management Guide: Discounts for Small Business

Resource Management Guide: Discounts for prepayment and early payment

12. Discretionary compensation mechanisms

12.1 What are discretionary compensation mechanisms?

12.1.1 Discretionary compensation mechanisms allow the Australian Government to provide assistance to individuals or other bodies that have no automatic entitlement to a payment or other financial relief. A decision under any of these mechanisms is at the discretion of the decision maker.

12.1.2 The absence of any automatic entitlement to payment or relief distinguishes the discretionary compensation mechanisms from other mechanisms such as:

- the settlement of claims for which there is at least a meaningful prospect of liability under the *Legal Services Directions 2005* or
- the payment of compensation arising from a statutory entitlement.

12.2 Responsibilities of officials – does an automatic entitlement exist?

- 12.2.1 Officials must provide details of potential claims for compensation to the [Travel, Reporting, Insurance and Policy](#) (TRIP) Team.
- 12.2.2 Discretionary compensation mechanisms must only be used to provide assistance to individuals or other bodies that have no automatic entitlement to a payment or other financial relief. Officials must refer the potential claim to [Legal Services Branch](#) (LSB). LSB must determine whether there is an automatic entitlement to a payment or other financial relief.
- 12.2.3 If LSB determines that there is an automatic entitlement to a payment or other financial relief officials must seek the approval of the relevant delegate before making the payment or providing any other sort of financial relief.

12.3 What is the CDDA Scheme?

- 12.3.1 The CDDA Scheme allows ACBPS to compensate individuals or other bodies who have experienced detriment (i.e. quantifiable financial loss) as a result of ACBPS's defective administration, and who have no other avenues of redress.
- 12.3.2 While Portfolio Ministers have responsibility for decisions made under the CDDA Scheme, they may authorise ACBPS officials to approve payments under the CDDA Scheme on their behalf.

12.4 Responsibilities of Officials – CDDA Scheme

- 12.4.1 Officials must refer claims for compensation under the CDDA Scheme to the Portfolio Minister or a person with the delegated authority to decide such claims. Details of officials with the delegation power to consider claims for compensation arising from defective administration are included in the Instruments of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).
- 12.4.2 If a CDDA payment has been approved by the Minister, or a person authorised by the Minister, before making the payment the CEO or his or her delegate must ensure that:
- the requirements relating to the approval and commitment of relevant money set out in section 2 of these AAls have been complied with and
 - the Minister has approved the payment under section 71 of the PGPA Act.

12.5 Act of grace payments

- 12.5.1 The Finance Minister is able to authorise the making of one-off or periodic act of grace payments. This power has been delegated with directions to the Finance Secretary and delegates within the Department of Finance.
- 12.5.2 If the Finance Minister or his or her delegate authorises ongoing act of grace payments or an act of grace payment which is subject to agreed conditions, the CEO or his or her delegate is able to enter into an arrangement (for further details on entering into arrangements refer to Section 2 of these AAls).
- 12.5.3 Act of grace payments may be authorised in special circumstances, where ACBPS's conduct or Commonwealth legislation or policy has resulted in an unintended, inequitable, anomalous or otherwise unacceptable impact on the claimant's circumstances. Act of grace payments are made in circumstances where the main obligation to the applicant is moral, rather than legal.

12.6 Responsibilities of officials – act of grace payments

- 12.6.1 Officials must not approve an act of grace payment.
- 12.6.2 Officials must ensure that all requests for act of grace payments are referred to the [Department of Finance](#).
- 12.6.3 When making an act of grace payment authorised by the Finance Minister, or his or her delegate, officials must ensure that the payment is consistent with the decision.
- 12.6.4 Where an act of grace payment involves either ongoing payments or is subject to agreed conditions, before entering into the arrangement officials must ensure that:
- they have been delegated the power to do so and
 - the requirements relating to the approval and commitment of relevant money set out in Section 2 of these AAls have been met.
- 12.6.5 Before making an act of grace payment under an arrangement, officials must ensure that:
- they have the delegated authority to administer the arrangement and
 - the requirements of the arrangement have been met.

12.7 Waivers of debt

- 12.7.1 The waiver of a debt owing to the Commonwealth is a form of discretionary compensation mechanism. Detailed guidance on waiver of debt mechanisms is contained in Section 22 of these AAls.

12.8 Key references

Sections 23 and 65 of the PGPA Act

Sections 11 and 24 of the PGPA Rule

Sections 1, 2, 10, 11 and 21 of AAI 1: Financial Framework

CEI 2.7/1 Guidelines for Processing CDDA Scheme Claims and Payments

CEI 2.7/2 Guidelines for Processing Act of Grace Payment Claims

CEI 2.7/4 Guidelines for Processing and Payment of Other Claims against the Commonwealth

Resource Management Guide No. 401: Requests for Discretionary Financial Assistance under the Public Governance, Performance and Accountability Act 2013

Resource Management Guide No. 409: Scheme for Compensation for Detriment Caused by Defective Administration

Part 7 – Managing Relevant Money

13. Receiving relevant money

13.1 What is relevant money?

- 13.1.1 Relevant money is money that ACBPS holds as cash or in their bank accounts. Relevant money does not include other CRF money – for money of that type refer to Section 19 of these AAls.
- 13.1.2 Relevant money includes Australian currency, foreign currency and cheques in any currency.
- 13.1.3 Money is raised by, or on behalf of, the Commonwealth in a variety of ways, including by appropriations, taxes, borrowings, loan repayments, rebates, levies and fees. Money held on trust by Commonwealth entities (for the benefit of persons outside of the Commonwealth or a Commonwealth entity) and money found on Commonwealth entity premises is also relevant money.

13.2 Responsibilities of cashiers

- 13.2.1 Cashiers are responsible for the relevant money they receive and must take reasonable steps to safeguard the money from loss.
- 13.2.2 Cashiers must ensure that all relevant money received is banked to an ACBPS bank account on the same or next banking day or in accordance with instructions provided by the CEO. Where approved arrangements are in place with third parties such as Travelex and International Currency Services

Australia Pty Ltd to accept the cash collected and electronically transfer the funds to ACBPS the funds are treated as being banked on the day that they are given to the third party.

13.2.3 Cashiers must ensure that records of all collections and deposits of relevant money are maintained at all times.

13.2.4 Cashiers need not issue receipts as a matter of course, but only when requested. A receipt must always be issued when cash is received from a member of the public.

13.2.5 Any unbankable currency received should be dealt with in accordance with the instructions contained in CEI 1.1/1 Guidelines for the Receipt, Custody and Security of Public Money and Negotiable Instruments.

13.2.6 A formal handover, takeover procedure must be undertaken when relevant money is transferred from one official to another official.

13.3 Responsibilities of other officials

13.3.1 If an official other than a cashier receives relevant money, it must be passed to a cashier on the day of receipt or, if that is not possible, on the next banking day. All mail remittances of money must be properly safeguarded and brought to account promptly.

13.3.2 If an official is entering into an arrangement with a person outside the Commonwealth or a Commonwealth entity that involves the handling of other CRF money, they must comply with the instructions in Section 19 of these AAls.

13.4 Money found on Commonwealth premises

13.4.1 When an official finds money on Commonwealth premises, it must be passed to a cashier on the day of receipt or, if that is not possible, on the next banking day.

13.4.2 Money found on Commonwealth premises must be treated as administered revenue and remitted to the Official Public Account.

13.4.3 Officials must take reasonable steps to trace the owner of and return the money found on Commonwealth premises.

13.5 Key references

Sections 53, 55 and 74 of the PGPA Act

Sections 19, 20, 21 and 27 of the PGPA Rule

Sections 1, 14, 15, 16, 17 and 18 of AAI 1: Financial Framework

CEI 1.1/1 Guidelines for the Receipt, Custody and Security of Public Money and Negotiable Instruments.

14. Banking

14.1 Responsibilities of officials - entering into arrangements with banks

14.1.1 Bank accounts may be opened, maintained or closed only with the approval of those delegates with specific delegated authority from the CEO. Bank accounts can only be opened and maintained in Australia.

14.1.2 Only officials with the delegated power to do so are permitted to enter into an agreement with a bank for banking services.

14.1.3 Officials must comply with the requirements in Section 7 of these AAls when procuring banking services.

14.1.4 Officials must comply with the requirements in Section 2 of these AAls when approving commitments of relevant money and entering into arrangements.

14.1.5 Officials entering into agreements for the provision of banking services must:

- comply with any directions issues by the CEO in relation to the exercise of the delegation
- comply with any written guidance issued by the Department of Finance
- ensure that the agreement contains processes to allow cash held in Australia to be consolidated each day within the Official Public Account held with the Reserve Bank of Australia
- ensure that the agreement does not provide for overdraft drawings.
- ensure that the agreement provides for the transfer of any interest earned to the Official Public Account and
- notify the Department of Finance as soon as practicable when a new bank account is opened or an existing bank account is closed.

14.2 Reconciliations

14.2.1 The Chief Finance Officer must ensure that:

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- a reconciliation of all bank accounts is undertaken at least monthly and
- the continued need for each official bank account is reviewed at least annually.

14.3 Key references

PGPA Act Sections 8, 23, 52 and 53

PGPA Rule Section 18

Finance Minister's Delegation

Sections 1, 2, 7 and 17 of AAI 1: Financial Framework

CEI 1.3/1 Guidelines for the Opening, Closing and Maintenance of Official Bank Accounts

15. Loss and recovery of relevant money

15.1 Background

- 15.1.1 All officials must ensure the security of any relevant money they have custody of.
- 15.1.2 An official may be liable for the loss of relevant money in their custody if they do not take reasonable steps to secure it.
- 15.1.3 An official may be liable for the loss of relevant money if the loss occurs as a result of their misconduct.
- 15.1.4 A loss of relevant money may result in a debt owed to the Commonwealth. An official's liability to pay such a debt is not avoided if stop they working for ACBPS. For further information on the management of debt refer to Sections 20 to 23 of these AAls.

15.2 Responsibilities of Officials

- 15.2.1 Officials must not misuse or improperly dispose of relevant money.
- 15.2.2 Officials are responsible for the security of any relevant money they receive, or have custody of, and must take reasonable steps to safeguard the money from loss.
- 15.2.3 If a loss of relevant money occurs whilst the money is in an official's custody, they are liable to pay the Commonwealth an amount equal to the loss, unless they took reasonable steps to prevent the loss.
- 15.2.4 If an official causes or contributes to a loss of relevant money by misconduct, or a deliberate or serious disregard for reasonable standards of care, they are

liable to pay the Commonwealth an amount that reflects their share of the responsibility for the loss.

- 15.2.5 Officials must report any losses of relevant money immediately to their supervisor. They must also report the loss to the [Treasury Unit](#) Services Branch. Further information on the processes to be followed when a loss of relevant money occurs is contained in CEI 1.1/1 Guidelines for the Receipt, Custody and Security of Public Money and Negotiable Instruments.
- 15.2.6 Officials must report any incidents involving theft or possible misappropriation of relevant money immediately to Integrity and Professional Standards.
- 15.2.7 If an official becomes aware of an integrity concern regarding the loss of the relevant money, they may also be required to report the matter as soon as practical in accordance with the mandatory reporting obligations outlined in Chief Executive Officer Order 2 of 2013.

15.3 Key references

Sections 68 and 69 of the PGPA Act

Sections 1, 13, 16, 20, 21, 22 and 23 of AAI 1: Financial Framework

CEI 1.1/1 Guidelines for the Receipt, Custody and Security of Public Money and Negotiable Instruments

16. Advance accounts and cash holding accounts

16.1 What are advance accounts and cash holding accounts?

- 16.1.1 An advance account is relevant money that has been withdrawn from the ACBPS bank account and provided to a specific official or officials to make payments in cash.
- 16.1.2 A cash holding account is relevant money that has been withdrawn from the ACBPS bank account which can only be used for the purpose of providing change in relation to the receipt of relevant money.
- 16.1.3 Cash advances must be established for a specific purpose.
- 16.1.4 Officials may receive an amount withdrawn from the ACBPS bank account to establish or replenish an advance account or cash holding account approved by the CEO (or their delegate).

16.2 Responsibilities of officials – general

- 16.2.1 Officials are responsible for the money and must take reasonable steps to safeguard the money from loss.

- 16.2.2 If a loss or relevant money occurs officials must comply with the requirements relating to the loss and recovery of relevant money contained in Section 15 of these AAls.
- 16.2.3 Officials must comply with directions from the CEO in relation to the advance account or cash holding account.
- 16.2.4 Officials must not enter into an arrangement in relation to an advance account or cash holding account unless they have been delegated the power to do so. Further details relating to entering into arrangements are included in Section 2 of these AAls.
- 16.2.5 Officials assuming responsibility for an advance account or cash holding account should ensure that they complete a handover/takeover of the account with the existing Account Holder.
- 16.2.6 Advance accounts and cash holding accounts should be reconciled each time custody of the float is transferred. As a minimum, a formal monthly reconciliation must be completed at the end of each month. For additional guidance on the reconciliation requirements refer to the relevant Instructions and Guidelines. Copies of these reconciliations must be retained on a registry file.
- 16.2.7 Spot checks should be undertaken, where possible, at least monthly by an official not responsible for the Advance Account.

16.3 Officials responsibilities – payments from advance accounts

- 16.3.1 Officials must not make a payment from an advance account:
- unless they are authorised to do so and they comply with the requirements relating to the approval and commitment of relevant money included in Section 2 of these AAls
 - for any purpose other than that for which the advance account was established.
- 16.3.2 If an official authorises a commitment of relevant money that results in a payment from the advance account they must hold a delegation to do so.
- 16.3.3 Officials should only make payments from an advance account when the normal payment methods (including the use of the purchasing and payments portal is impractical).
- 16.3.4 Officials must ensure that any payments from an advance account:
- are a proper use of public resources
 - have been approved by the relevant delegate and
 - are supported by an invoice or receipt. Copies of these invoices and receipts must be retained on a registry file. If no original documentation is

available, the official making a claim is to provide a signed Statutory Declaration.

16.4 Responsibilities of officials – cash holding accounts

16.4.1 Officials must not use cash holding accounts for any purpose other than providing change in relation to the receipt of relevant money.

16.5 Key references

Sections 23 and 55 of the PGPA Act

Sections 18 and 20 of the PGPA Rule

Sections 1, 2, 10, 11 and 15 of AAI 1: Financial Framework

CEI 1.4/1 Guidelines for the Maintenance of Advance Accounts

CEI 1.4/1 Guidelines for the Maintenance of Cash Holding Accounts

Resource Management Guide No. 300: Banking of relevant money by Commonwealth Entities

Resource Management Guide No. 400: Approval and commitment of relevant money

17. Investment and borrowing

17.1 Investment

17.1.1 No ACBPS official is permitted to invest relevant money.

17.2 Borrowing

17.2.1 Officials must not enter into any borrowing agreements unless they hold a delegation to do so.

17.2.2 Officials entering into borrowing arrangements in relation to credit cards must comply with the requirements set out in Section 9.2 of these AAI. No ACBPS official is permitted to enter into any other borrowing arrangement.

17.3 Key references

Sections 56 and 58 of the PGPA Act

Finance Minister's Delegation

Sections 1 and 9 of AAI 1: Financial Framework

18. User charging

18.1 What is user charging

- 18.1.1 User charging involves charging individuals, non-government organisations and other government entities in respect of regulatory activities or for the provision of goods and services. The Commonwealth Government may direct entities to charge for some or all of their activities in a specific manner and/or apply a specific policy framework.
- 18.1.2 All proposals related to user charging should be developed in consultation with the [External Budgets and Revenue Team](#) Services Branch.

18.2 Responsibilities of officials in relation to user charging

- 18.2.1 In considering whether individuals, non-government organisations or other government entities should, or may, be charged for the provision of goods, services or regulatory activities officials must:
- identify whether there is a Government decision that sets out how to charge for a specific activity (e.g. in accordance with the Commonwealth Cost Recovery Guidelines)
 - consider whether charging requires express statutory authorisation (this may not be required in relation to payments between Commonwealth entities)
 - apply relevant government policy frameworks (e.g. Commonwealth Property Management Framework) and
 - determine whether revenue raised should be returned to the Official Public Account or whether it is able to be retained by ACBPS.

18.3 Key references

Section 21 and 74 of the PGPA Act

Section 27 of the PGPA Rule

CEI 6.1/1 Guidelines for the Application of the Cost Recovery Arrangements

Australian Government Cost Recovery Guidelines

Resource Management Guide No. 302: Receipts collected by Non-Corporate Commonwealth entities

Part 8 – Arrangements Relating to Other CRF Money

19. Arrangements relating to other CRF Money

19.1 Who handles other CRF money?

- 19.1.1 Any person who is not an official or a Minister (i.e. any person outside of the Commonwealth) who acts for or on behalf of the Commonwealth in relation to money (i.e. as an agent of the Commonwealth) handles other CRF money. For example, a person may handle other CRF money because they have entered into a contractual arrangement to provide goods or services (e.g. administrative or management services) to the Commonwealth. A person who handles other CRF money may be an individual or an organisation.
- 19.1.2 Some common examples of situations where a person who is not an official or a Minister may handle other CRF money include:
- auctioneers dealing with the disposal of relevant property (for further information on the requirements associated with the disposal of relevant property refer to Section 25 of these AAls)
 - legal firms dealing with the purchase or disposal of land and buildings
 - property management arrangements
 - salary sacrifice arrangements and
 - contractors who perform various other financial tasks on behalf of ACBPS.

19.2 Arrangements with persons outside the Commonwealth

- 19.2.1 Before entering into any arrangement, it is important for officials to consider whether it could involve a person outside of the Commonwealth (eg. Outside ACBPS) handling other CRF money.
- 19.2.2 Other CRF is money that forms part of the CRF, other than relevant money or any other money of a kind prescribed by the rules. That is, other CRF money is not relevant money.
- 19.2.3 An amount of money that is in the physical possession of, or in the bank account of, a person other than the Commonwealth, who is acting on behalf of the Commonwealth in relation to that money, is other CRF money.
- 19.2.4 It is not uncommon for persons outside the Commonwealth to handle other CRF money. For example, any person authorised through an arrangement to act for and on behalf of the Commonwealth to collect fees or levies and make payments of the amounts collected is handling other CRF money.
- 19.2.5 People who handle other CRF money are not subject to the same requirements that apply to officials who handle relevant money. Rather, people who handle other CRF money are required to handle that money in accordance with the terms and conditions set out in their arrangement with the Commonwealth. Therefore, it is essential for ACBPS to mitigate risk to the

Commonwealth by properly identifying circumstances where an arrangement for the handling of other CRF money is appropriate, developing an applicable arrangement, and managing it closely.

19.3 Responsibilities of officials

- 19.3.1 Officials must not enter into an arrangement for the receipt, custody or payment of other CRF money by a person outside the Commonwealth or a Commonwealth entity, unless:
- they hold a delegation to enter into the arrangement
 - the terms of the arrangement are, at a minimum, compliant with the requirements of s29 of the PGPA Rule (other CRF money) and
 - the arrangement would be a proper use and management of public resources and would not be inconsistent with the policies of the Australian Government.
- 19.3.2 Officials must ensure the requirements relating to the approval and commitment of relevant money in Section 2 of these AAls are satisfied where the arrangement involves the commitment of relevant money.
- 19.3.3 Officials must not make an arrangement unless they are satisfied that the risks that might arise from the way in which other CRF money is to be handled under the arrangement are managed in the best interests of the Commonwealth.
- 19.3.4 When making an arrangement for the receipt, custody or payment of other CRF money by a person outside of the Commonwealth or a Commonwealth entity, officials must comply with any directions relating to the delegation from the CEO.
- 19.3.5 When making an arrangement for the receipt, custody or expenditure of other CRF money with a person outside of the Commonwealth, officials must be satisfied that the arrangement promotes the proper use and management of the other CRF money. The agreement must:
- comply with the requirements in s29 of the PGPA Rule (Other CRF Money)
 - require the other party to the arrangement to keep records that properly record and explain the receipt, custody or expenditure of the other CRF money and to allow those records to be audited
 - ensure that other CRF money remains in a non-Commonwealth entity bank account for the shortest time reasonable and
 - achieve the most efficient and effective transmission of other CRF money to a Commonwealth entity bank account, or, in the case of a payment to a third party, to the recipient.

19.4 Key references

Sections 23 and 105 of the PGPA Act

Section 29 of the PGPA Rule

Sections 1, 2, and 13 of AAI 1: Financial Framework

Resource Management Guide No. 303: Other CRF Money

Resource Management Guide No. 400: Approval and commitment of relevant money

Part 9 – Managing Debt

20. Recovery of debts

20.1 What is a debt?

20.1.1 Amounts may be owed to ACBPS for a number of reasons, such as money owing as a result of an agreement, a transaction or legislation.

20.1.2 A 'debt' is a sum of money owing to the Commonwealth, which is known (or capable of being objectively determined) and not being disputed, due for payment now, and capable of being recovered in an action for debt.

20.1.3 An amount owing is not legally recoverable until it is quantified as a debt. In some instances legislative requirements, such as the service of a notice by a specified person, must be met before the amount owing is converted to a debt.

20.1.4 Details of all outstanding debts must be recorded in the Financial Management Information System.

20.1.5 Within ACBPS the three primary categories of debts are those relating to:

- operational debts ie payments due for duties, tariffs and related costs which originate from the Customs Act 1901 and related Customs Acts, together with their associated indirect taxes. Details related to the routine collection processes for operational debt are set out in CEI 6.4/1 Guidelines for Obtaining Payment of Moneys – Operational Debts
- non-operational debts ie payments due resulting from routine departmental operations, and which are generally subject to PGPA legislation and/or related contractual arrangements and
- employee debts.

20.1.6 For advice on debt management principles contact the [Centralised Debt Management Team](#). Further contact details are available on the [Debt Management](#) intranet page.

20.1.7 The [Centralised Debt Management Team](#) must consult with [Legal Services Branch](#) where advice is required relating to:

- a particular debt (eg. where it is unclear if an amount is a debt) or
- the appropriate debt recovery action.

20.2 Principles of debt recovery

20.2.1 Debts and amounts owing to the Commonwealth, including any incorrect payments or overpayments of money, represent a cost to taxpayers if not recovered and should therefore be pursued to the greatest possible extent.

20.2.2 In relation to amounts owing to the Commonwealth, the general principle is that such amounts should immediately be paid in full when they become due for payment. However, in certain circumstances it may be appropriate to defer the time for payment, allow payment by instalments or waive the amount owing to the Commonwealth.

20.3 Responsibilities of officials

20.3.1 Officials must cease any incorrect or ongoing over payments as soon as they are made aware of them, and determine the amount owing to the Commonwealth.

20.3.2 Officials must pursue recovery of each debt except debts which are:

- written off as authorised by an Act
- not legally recoverable or
- not economical to pursue.

20.4 Key references

Sections 63 and 64 of the PGPA Act

Section 11 of the PGPA Rule

Sections 21, 22 and 23 of AAI 1: Financial Framework

CEI 6.4/1 Guidelines for Obtaining Payment of Moneys – Operational Debts

Resource Management Guide No. 401: Requests for Discretionary Financial Assistance under the Public Governance, Performance and Accountability Act 2013

21. Non-recovery (write off) of debts

21.1 Background

- 21.1.1 Non-recovery (write off) of a debt is permitted where the non-recovery has been authorised by an Act, or it would not be economical to pursue the recovery of the debt, or where the debt is not legally recoverable.
- 21.1.2 A decision to write off a debt does not legally extinguish the debt. For example, if the debtor's circumstances change in the future the debt can be reinstated and pursued. The only way to legally extinguish a debt or other amount owing to the Commonwealth is for the Finance Minister to waive the amount owing.

21.2 Responsibilities of officials

- 21.2.1 Only officials with the delegated power are permitted to approve a decision not to pursue the recovery of a debt.
- 21.2.2 Officials with the delegation to approve the non-recovery of a debt can approve the non-recovery where:
- the non-recovery has been authorised by an Act
 - they are satisfied that the debt is not legally recoverable or
 - they consider that it is not economical to pursue recovery of the debt.
- 21.2.3 Detailed guidelines relating to the processes to be undertaken when approving the non-recovery of a debt are set out in CEI 6.4/4 – Guidelines for Approving the Non-Recovery, Writing off or Waiving a Debt.

21.3 Key references

Sections 63 and 64 of the PGPA Act

Section 11 of the PGPA Rule

Sections 1, 20, 22 and 23 of AAI 1: Financial Framework

CEI 6.4/4 – Guidelines for Approving the Non-Recovery, Writing off or Waiving a Debt

Resource Management Guide No. 401: Requests for Discretionary Financial Assistance under the Public Governance, Performance and Accountability Act 2013

22. Waiving debts

22.1 What is a debt waiver?

22.1.1 A waiver is a special concession granted to an individual or other body that extinguishes a debt or other amount owing to the Commonwealth. This means that the amount owing is completely forgiven and can no longer be recovered (even if the debtor's circumstances change in the future).

22.1.2 Waivers are a last resort where it is considered appropriate because the recovery of the debt would be inequitable or cause ongoing financial hardship.

22.2 Responsibilities of officials

22.2.1 Officials must not approve the waiver of a debt.

22.2.2 Officials must ensure that all requests for the waiver of a debt are referred to the Department of Finance.

22.2.3 Detailed guidelines relating to the processes to be undertaken when dealing with requests to waive a debt are set out in CEI 6.4/4 – Guidelines for Approving the Non-Recovery, Writing off or Waiving a Debt.

22.3 Key references

Sections 63 and 64 of the PGPA Act

Section 11 of the PGPA Rule

Sections 20, 21 and 23 of AAI 1: Financial Framework

CEI 6.4/4 – Guidelines for Approving the Non-Recovery, Writing off or Waiving a Debt

Resource Management Guide No. 401: Requests for Discretionary Financial Assistance under the Public Governance, Performance and Accountability Act 2013

23. Payment by instalments or deferral of the time for payment

23.1 Background

23.1.1 Amounts owing to the Commonwealth should generally be paid in full immediately when they become due. However, there may be circumstances that warrant allowing a payment to be made by instalments, or deferring the time for payment.

23.2 Responsibilities of officials

23.2.1 Officials must refer requests to:

- allow the payment by instalments of an amount owing to the Commonwealth or
- defer the time for payment of an amount owing to the Commonwealth to the relevant delegate.

23.2.2 Officials allowing the payment by instalments or the deferral of the time for payment of an amount owing to the Commonwealth must comply with the requirements and limitations included in the Instrument of Delegation. Copies of all financial Instruments of Delegation can be accessed on the intranet at [Our Work→Delegations→Finance](#).

23.2.3 When considering cases of claimed hardship, officials must require that the debtor provide evidence sufficient to satisfy themselves that it would be unreasonable to require repayment of the amount owing other than by instalments or at a deferred date. Officials must also have regard to the Commonwealth's interests not being subordinate to other creditors of the same ranking.

23.2.4 When allowing payment by instalments or deferring the time for payment, officials must impose conditions to ensure recovery of the amount owing as soon as reasonably practicable, having regard to the debtor's ability to pay.

23.2.5 When allowing payment by instalments or deferring the time for payment, officials must impose interest on the amount owing at the 90 day bank-accepted bill rate (available from the Reserve Bank of Australia). However, if this would cause undue financial hardship, officials may impose a lesser rate of interest, or no interest, provided they record in writing their reasons for doing so.

23.2.6 When allowing payment by instalments or deferring the time for payment, officials must inform the debtor in writing of:

- the amount owing to the Commonwealth
- the date/s when payment is due
- the interest rate (if any)
- any other matter they consider relevant and
- the conditions of acceptance contained in the Finance Minister's Delegation.

23.2.7 Officials must also obtain written confirmation from the debtor that they accept all of the matters listed above.

23.2.8 Detailed guidelines relating to the processes to be followed when considering requests to pay a debt by instalments or defer the time of payment of a debt are set out in the relevant Instructions and Guidelines.

23.3 Key references

Sections 63 and 64 of the PGPA Act

Section 11 of the PGPA Rule

Sections 20, 21 and 22 of AAI 1: Financial Framework

CEI 6.4/2 Guidelines for Approving the Payment of Debt by Instalments

CEI 6.4/3 Guidelines for Approving the Deferral of the Time of Payment of a Debt

Resource Management Guide No. 401: Requests for Discretionary Financial Assistance under the Public Governance, Performance and Accountability Act 2013

Part 10 – Managing Relevant Property

24. Acquiring relevant property

24.1 What is relevant property?

24.1.1 Relevant property is property (other than relevant money) that is owned or held by ACBPS. Relevant property includes leased property and property held by the ACBPS on behalf of someone else. Relevant property also encompasses:

- gifts given to ACBPS and its officials (for further information on gifts refer to Section 6 of these AAls) and
- goods and assets, for example equipment and furniture, intellectual property and accounts and records.

24.1.2 There is specific legislation and policies that apply to the acquisition, ownership, management and disposal of particular types of relevant property. For example, relevant property which involves land, buildings and/or public works is subject to the following:

- the *Lands Acquisition Act 1989*
- the *Public Works Committee Act 1969*
- the *Commonwealth Property Management Framework and*
- the *Commonwealth Property Disposals Policy*.

24.2 Acquiring relevant property

24.2.1 ACBPS acquires or comes to hold relevant property by:

- procuring the property (by lease or purchase)

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- being given the property as a gift or donation or
- finding the property on Commonwealth premises.

24.3 Officials responsibilities

24.3.1 When procuring relevant property, officials must:

- act in an efficient, effective, economical and ethical manner
- comply with the requirements relating to the commitment of relevant money in section 2 of these AAls.
- comply with the requirements relating to procurement in Section 7 of these AAls.

24.4 Key references

Sections 23, 68, 69, and 70 of the PGPA Act

Section 18 of the PGPA Rule

Sections 2, 6, 7, 25, 26, 27 and 31 of AAI 1: Financial Framework

Resource Management Guide No. 203: General Duties of Officials

Resource Management Guide 505: Funding Arrangements for Commonwealth Property

Australian Government Intellectual Property Manual

25. Disposing of relevant property

25.1 Methods of disposal

- 25.1.1 ACBPS disposes of relevant property in a number of ways, such as by sale, gift, trade-in, transfer to another Commonwealth entity, destruction, recycling or dumping.
- 25.1.2 The Commonwealth's general policy on the disposal of relevant property is that, wherever it is economical to do so, the property should be sold at market price or transferred (with or without payment) to another Commonwealth entity with a need for the property.
- 25.1.3 Disposal of property under specific legislation, such as the disposal of any interest in real property by the Commonwealth under the *Lands Acquisition Act 1989*, is subject to the provisions of that legislation.

25.2 Responsibilities of officials

25.2.1 Officials must not improperly dispose of relevant property.

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25.2.2 Officials must comply with the requirements in Section 6 of these AAls when making a gift of relevant property.

25.2.3 Officials must comply with the requirements in Section 25.3 of these AAls when Disposing of Property Found on Commonwealth Premises.

25.2.4 Officials must ensure that, where economical to do so, relevant property is disposed of by:

- transferring the property (with or without payment) to another Commonwealth entity with a need for the property or
- selling the property at market price.

25.2.5 Officials must ensure that the disposal of the relevant property obtains the best net outcome for the Commonwealth.

25.2.6 If a third party is to initially receive the proceeds on sale and then transfer them to ACBPS officials must act in accordance with the requirements relating to other CRF Money in Section 19 of these AAls.

25.3 Disposing of property found on Commonwealth entity premises

25.3.1 Officials may only dispose of property (other than money) found on Commonwealth entity premises or in other containers or vehicles that are under the control of the Commonwealth entity, if the property is not claimed by its owner within a reasonable timeframe.

25.3.2 Officials must dispose of the property by sale, unless doing so is impracticable or undesirable in the public interest.

25.4 Key references

Sections 23, 68, 69, and 70 of the PGPA Act

Section 18 of the PGPA Rule

Sections 2, 6, 7, 19, 24, 26, 27 and 31 of AAI 1: Financial Framework

Resource Management Guide No. 203: General Duties of Officials

Resource Management Guide 505: Funding Arrangements for Commonwealth Property

Australian Government Intellectual Property Manual

26. Custody, use and management of relevant property

26.1 Responsibilities of officials

- 26.1.1 Officials must not misuse or improperly dispose of relevant property.
- 26.1.2 Officials are responsible for the security of any relevant property they receive, or have custody of, and must take reasonable steps to safeguard the property from loss.
- 26.1.3 Officials must only use relevant property for official purposes, unless permission for private use has been given.
- 26.1.4 Officials are required to complete a separation process upon retirement or resignation from ACBPS, prior to commencing long term leave (three months or more) or on their transfer to another agency. This involves the return of various items of relevant property that may have been assigned to an official. For further details of the separation process refer to C_LDR07/11 Separations.

26.2 Bonds, debentures and other securities

- 26.2.1 If an official receives any bonds, debentures or other securities, they must ensure that:
 - a receipt is issued for the securities received
 - a register is maintained of all securities received and
 - all reasonable steps are taken to safeguard the securities.

26.3 Key references

Sections 23, 68, 69, and 70 of the PGPA Act

Section 18 of the PGPA Rule

Sections 24, 25, and 27 of AAI 1: Financial Framework

CEI 3.1/1 Guidelines for the Use and Custody of Public Property

C_LDR07/11 Separations

Resource Management Guide No. 203: General Duties of Officials

Resource Management Guide 505: Funding Arrangements for Commonwealth Property

Australian Government Intellectual Property Manual

27. Loss and recovery of relevant property

27.1 Background

- 27.1.1 In relation to relevant property, loss includes deficiency, destruction or damage.
- 27.1.2 An official can be held responsible for a loss of relevant property, whether or not the property was in their custody at the time when it was lost.
- 27.1.3 A loss of property may result in a debt owed to ACBPS by the official. A person's liability to pay such a debt is not avoided just because they stopped working for ACBPS after the loss occurred. For further details on debt management refer to Sections 20 to 23 of these AAls.

27.2 Responsibilities of officials

- 27.2.1 When an official identifies:

- a loss of relevant property
- damage to relevant property or
- a deficiency of relevant property.

they are to immediately report the extent of the loss, damage or deficiency to their supervisor. If there is a risk of potential further loss as a result of a loss or deficiency eg the loss of a mobile telephone, laptop computer etc, action should also be taken immediately to minimise the extent of further losses of relevant money or property.

- 27.2.2 Officials are responsible for the security of any relevant property they receive, or have custody of, and must take reasonable steps to safeguard the property from loss.
- 27.2.3 If an official does not take reasonable steps to prevent a loss of relevant property they are liable to pay ACBPS an amount equal to the loss.
- 27.2.4 If an official causes or contributes to a loss of relevant property by misconduct, or a deliberate or serious disregard for reasonable standards of care, they are liable to pay the Commonwealth an amount that reflects their share of the responsibility for the loss.
- 27.2.5 If an official becomes aware of an integrity concern regarding the loss of relevant property, they may be required to report the matter as soon as practical in accordance with the mandatory reporting obligations outlined in Chief Executive Officer Order 2.

27.3 Responsibilities of supervisors

- 27.3.1 The relevant supervisor should document the facts around the loss, damage or deficiency including:

- value of the loss or deficiency or damage to relevant property
- the circumstances surrounding the loss, deficiency or damage and
- if they exist, details relating to integrity concerns.

27.3.2 Where an integrity concern is identified the Integrity Assessment Committee (IAC) must assess the information to determine whether Integrity and Professional Standards should investigate or conduct an inquiry into the matter.

27.4 Key references

Sections 23, 68, 69, and 70 of the PGPA Act

Section 18 of the PGPA Rule

Sections 20, 21, 22, 23, 24, 25, 26 and 31 of AAI 1: Financial Framework

CEI 3.1/2 Guidelines for Investigating a Loss of Public Property

Resource Management Guide No. 203: General Duties of Officials

Resource Management Guide 505: Funding Arrangements for Commonwealth Property

Australian Government Intellectual Property Manual

28. Official Vehicles

28.1 What is an official vehicle?

28.1.1 Vehicles under the control of ACBPS are official vehicles. This excludes vehicles provided as part of an official's remuneration arrangements (Executive Vehicle Scheme) and salary sacrifice arrangements.

28.2 Use of official vehicles

28.2.1 Official vehicles must not be used for anything other than official purposes. A limited exemption applies to home garaging arrangements. Home garaging arrangements permit officials to use an official vehicle to travel between home and work only.

28.2.2 Home garaging arrangements must be approved by a CL5 or above official utilising the form available on the [Fleet](#) Intranet page.

28.2.3 ACBPS may be liable to pay Fringe Benefits Tax (FBT) on any private use of official vehicles. Most travel between home and work is regarded as private use. Details of the exemptions from this rule and the calculation of FBT are contained in the FBT - Employee Guide available on the [FBT](#) Intranet page.

28.2.4 Officials considering requests to home garage a vehicle should consider the additional costs that may be incurred (including any FBT payable) before approving these requests.

28.2.5 Officials must not use official vehicles for commercial purposes.

28.3 Responsibilities of officials

28.3.1 Fuel cards must be used only for the purchase of fuel, oil and the cost of monthly car washes for the official vehicle for which the card is registered. Additional guidance on the use of fuel cards is contained in Section 9 of these AAls and CEI 4.1/3 Guidelines for the Issue and Use of Fuel Cards.

28.3.2 When driving official vehicle officials must:

- hold a valid driver's licence appropriate for the class of vehicle and country where they are driving
- comply with all traffic laws, ordinances and regulations, including parking restrictions, of the country in which the vehicle is being used
- be responsible for the safety and security of a vehicle whilst it is in their possession and
- maintain the vehicle's log book by recording, for every journey
 - journey start date and time
 - journey finish date and time
 - driver's name and ACBPS Driver Login ID
 - journey details – departure point and destination
 - whether the vehicle use is for business or private purposes
 - the purpose of the journey
 - odometer readings at commencement/conclusion of each journey
 - whether the vehicle was home garaged prior to, or at the end of a journey and
 - driver's signature.

28.3.3 Officials within the line area are responsible for ensuring that the vehicle is serviced at the correct intervals, and are not driven with known defects which might render it unsafe to drive.

28.3.4 Officials are personally responsible for all fees and/or fines associated with failures to comply with traffic laws, ordinances or regulations, including parking restrictions, incurred whilst they have responsibility for an official vehicle.

28.3.5 Officials must not drive an official vehicle if they are not medically fit to drive, while under the influence of alcohol or while taking any prescribed or non-prescribed drugs that may impair their driving ability.

28.3.6 Officials involved in an accident while driving an official vehicle should not admit liability, but should provide the name of the insurer of the vehicle to any other party entitled to know those details. The current insurers are:

- Lumley General Insurance (for official vehicles leased through LeasePlan Australia or SG Fleet) or
- Comcover (for vehicles owned by ACBPS)

28.3.7 Official vehicles must be garaged on official premises unless permission is given, by a CL5 or above official, to home garage an official vehicle.

28.3.8 In the event of the theft of an official vehicle, the official responsible for the vehicle at the time of the theft must immediately report the event to the local police authority, Integrity and Professional Standards, Regional Comcover contact and Leaseplan or SG Fleet (if applicable). The official must also provide a written report on the incident to their supervisor as soon as practicable after the event.

28.3.9 If officials do not take reasonable steps to prevent the loss of an official vehicle while the vehicle is in their custody they are liable to pay the Commonwealth an amount equal to the loss. If officials cause or contribute to the loss of an official vehicle by misconduct, or a serious disregard for reasonable standards of care, they are liable to pay to the Commonwealth an amount that reflects their share of the responsibility for the loss.

28.4 Key references

Sections 66, 67, 68, 69 and 70 of the PGPA Act

Sections 1, 2, 6, 7, 9, 24, 25, 26 and 27 of AAI 1: Financial Framework

CEI 4.3/1 Guidelines for the Use and Operation of Official Vehicles

CEI 4.1/3 Guidelines for the Issue and Use of Fuel Cards

Part 11 – Accounts, Records and Compliance Reporting

29. Accounts and Records

29.1 Responsibilities of CEO and CFO

29.1.1 The CEO is required to ensure that the accounts and records of ACBPS properly record and explain ACBPS's transactions and financial position.

29.1.2 The CFO has overall responsibility for ensuring that accounts and records are kept as required by the PGPA Act, the PGPA Rule and the Finance Minister's Rules.

29.2 Responsibilities of the Financial Reporting Team and the Revenue Team

- 29.2.1 The [Financial Reporting Team](#) is responsible for the preparation of the monthly and annual departmental Financial Statements. The [Revenue Team](#) is responsible for the preparation of the monthly and annual administered Financial Statements.
- 29.2.2 The Financial Reporting and Revenue Teams must ensure that appropriate accounts and records are kept in accordance with the requirements in the PGPA Act, the PGPA Rule and the Finance Minister's Rules.
- 29.2.3 The Financial Reporting and Revenue Teams are responsible for ensuring that the required financial statements are provided to the Department of Finance.
- 29.2.4 The Financial Reporting and Revenue Teams act as a liaison between the divisions and External Audit in relation to the annual Financial Statements.

29.3 Responsibilities of officials

- 29.3.1 Officials must comply with any lawful request by the Finance Minister, the responsible Minister and the Commonwealth Auditor-General for access to the Commonwealth entity's accounts and records
- 29.3.2 To ensure that the monthly and annual financial statements are accurate officials are required to provide any information related to these financial statements requested by the Financial Reporting Team or the Revenue Team.
- 29.3.3 Officials must provide Internal and External Audit with reasonable assistance, including providing requested documentation in a timely manner, and ensuring relevant officials are reasonably available and helpful in respect of Internal and External Audit requests and queries. For further details refer to C_GOV04 Working with Internal Audit and C_GOV06 Working with the Australian National Audit Office.
- 29.3.4 Further information on accounting records and Financial Statements, including the responsibilities of officials are included CEI 6.3/1 Guidelines for the Preparation of Accounting and Taxation Records and Financial Statements.

29.4 Key references

Section 41 of the PGPA Act

Sections 30, 31 and 32 of the AAI 1: Financial Framework

CEI 6.3/1 Guidelines for the Preparation of Accounting and Taxation Records and Financial Statements

C_GOV04 Working with Internal Audit

C_GOV06 Working with the Australian National Audit Office

ANAO Better Practice Guide, *Preparation of Financial Statements by Public Sector Entities*

30. Taxation obligations

30.1 Responsibilities of officials

30.1.1 Officials must maintain appropriate records and provide information as requested to enable ACBPS to meet its taxation obligations.

30.1.2 Before seeking approval for a proposed commitment of relevant money officials must:

- consider the potential Fringe Benefits Tax implications of the proposed commitment and
- ensure that the price to be charged for the goods and/or services is inclusive of Goods and Services Tax, where applicable.

30.1.3 Officials must ensure that a valid tax invoice is obtained for each purchase to enable the ACBPS to claim input tax credits for the purposes of Goods and Services Tax, where applicable.

30.1.4 Officials must ensure that all contracts for the acquisition or sale of goods and services by ACBPS appropriately address taxation issues.

30.1.5 Officials must ensure that Goods and Services Tax is included on all invoices issued to third parties, where applicable.

30.1.6 Further information in relation to Fringe Benefits Tax and Goods and Services Tax is contained in C_LDR20 Taxation Compliance. Questions should be directed to the [Taxation and Debt Management Team](#) Services Branch.

30.2 Key references

Sections 15, 16, 21 and 23 of the PGPA Act

Sections 1, 2, 5, 6, 7, 9, 10 and 11 of AAI 1: Financial Framework

Resource Management Guide No. 400: Approval and commitment of relevant money

C_LDR20 Taxation Compliance

31. Asset Management and Portable and Attractive Items

31.1 What is an asset?

- 31.1.1 For the purposes of these AAls, an asset refers to any relevant property (physical or intangible) which meets the capitalisation criteria to be recorded as an asset within the Financial Management Information System and which has an expected useful life of at least two years.
- 31.1.2 Assets include long-life agency items, such as land, buildings, furniture, machinery or equipment used in ACBPS operations.
- 31.1.3 A record of all assets is maintained in the Asset Register attached to the Financial Management Information System.
- 31.1.4 Further detailed definitions of assets and capitalisation criteria are contained in CEI 3.2/1 Property, Plant and Equipment (PPE) Assets.
- 31.1.5 The [National Assets Team](#) is responsible for asset related policies.

31.2 Asset versus expense

- 31.2.1 For accounting purposes, expenditure on relevant property is treated as either an asset or an expense. Based on dollar-value, the criteria for categorising relevant property as an asset or as an expense are broken down into three categories. These categories are listed in the table below:

Relevant Property Value (GST exclusive)	Asset or Expense?
\$0 - \$500	Expense
\$500 – Capitalisation Threshold	Expense <u>or</u> Portable and Attractive Item (PAI)
Greater than Capitalisation Threshold	Asset

- 31.2.2 Details of capitalisation thresholds are contained in the table below:

Category	Capitalisation Threshold
Internally developed software (new)	\$250,000
Internally developed software (enhancement)	\$100,000
Purchased software	\$100,000
Buildings and leasehold	\$5,000

Category	Capitalisation Threshold
improvements	
Other relevant property	\$5,000

31.3 Responsibilities of officials – acquisition of assets

- 31.3.1 Officials must ensure that capital funding is available for any proposed acquisitions of assets.
- 31.3.2 Officials must comply with the requirements associated with the acquisition of relevant property set out in Section 24 of these AAls.

31.4 Responsibilities of officials – disposal of assets

- 31.4.1 Officials must comply with the requirements associated with the disposal of relevant property set out in Section 25 of these AAls.
- 31.4.2 The [asset disposal form](#) must be completed for all asset disposals or write offs.
- 31.4.3 Officials are responsible for advising their Finance Manager of any of the following events relating to any assets within their business area, and for which they are responsible:
- transfer of an asset from their business area to another business area within ACBPS
 - transfer or sale of an asset to another agency or external organisation
 - gifting of an asset - officials must comply with the requirements in Section 6 of these AAls when gifting assets
 - loss of an asset (officials must comply with the requirements in Section 27 of these AAls if a loss on an asset is identified) or
 - any other form of disposal of an asset.
- 31.4.4 Officials must ensure provide details of any assets that are traded-in for a new asset to their Finance Manager. This ensures that the purchase of the new asset and the disposal of the old asset are recorded accurately in the financial statements.
- 31.4.5 Whenever assets are destroyed by reason of being a security risk if sold eg out-dated mobile telephones, computers, laptop computers etc, officials are required to ensure that a secure disposal method is selected and a "Certificate of Destruction" issued by the supplier undertaking the destruction as supporting evidence for the writing off of those assets from the asset register.

31.4.6 Officials must notify their Divisional Finance Manager where an asset is of no further use but can be broken down for parts or spares for other assets. This ensures that the asset to be broken down is removed from the asset register.

31.4.7 Officials must ensure that data is sanitised from IT assets prior to their disposal.

31.5 Responsibilities of officials – custody, use and management of assets

31.5.1 Officials must comply with the requirements associated with the custody use and management of relevant property as set out in Section 26 of these AAls.

31.5.2 Officials may be required to participate in asset stocktakes to ensure the accountability for all assets and to identify discrepancies between the asset register and the actual assets held by ACBPS.

31.5.3 Assets should be written off in situations when:

- a loss or deficiency results from theft or accidental destruction or
- an asset is destroyed, damaged, worn out or time-expired as a result of:
 - fair wear and tear
 - destruction which has resulted from a natural disaster such as earthquake, storm, flood etc, or as the result of fire
 - the asset is abandoned on the grounds of health, safety or economy
 - obsolescence means that the item can no longer be used effectively or efficiently or
 - having reached the expiry date of a pre-determined life.

31.5.4 The written-down value of an asset ('net book value') should be reduced to its recoverable amount if it is impaired. 'Impairment' refers to the reduced functionality of an item. Further information is contained in CEI 3.2/1 Property, Plant and Equipment (PPE) Assets.

31.5.5 Officials may be required to participate in impairment surveys aimed at ensuring that assets are accurately reflected in the financial statements.

31.5.6 All assets, excluding intangibles ie all property, plant and equipment are to be revalued every 3 years. Further information is contained in CEI 3.2/1 Property, Plant and Equipment (PPE) Assets.

31.6 Responsibilities of officials – loss and recovery of relevant property

31.6.1 Officials must comply with the requirements related to the loss and recovery of relevant property set out in Section 27 of these AAls.

31.7 Asset management – responsibilities of Divisional Finance Managers

31.7.1 Finance Managers are required to provide details any internal transfers or disposals of assets [National Assets Team](#) Services Branch so that the asset register can be updated to reflect the movement or disposal of assets.

31.8 Portable and attractive items (PAI)

31.8.1 A portable and attractive item is an item of relevant property valued between \$500 and \$5,000 (GST exclusive) that is susceptible to theft and misappropriation due to its:

- attractiveness
- portability and
- ease of conversion into cash.

31.8.2 Some examples of portable and attractive items include:

- laptops & notebooks
- televisions
- cameras
- sat phones / mobile phones
- lite-pros / projectors and
- DVD players.

31.8.3 Details of portable and attractive items should be recorded and tracked for accountability purposes. Portable and attractive items should be recorded in the PAI Portal within the Financial Management Information System in a timely manner.

31.8.4 Further information regarding the management of portable and attractive items are contained in CEI 3.2/3 Portable and Attractive Items.

31.9 Key references

Sections 23, 68, 69, and 70 of the PGPA Act

Section 18 of the PGPA Rule

Sections 1, 2, 7, 24, 25, 26 and 27 of AAI 1: Financial Framework

CEI 3.2/1 Property, Plant and Equipment (PPE) Assets

CEI 3.2/2 Software Capitalisation

CEI 3.2/3 Portable and Attractive Items

CEI 3.2/4 Asset Management Roles and Responsibilities

CEI 3.2/5 Guidelines for Asset Stocktake

CEI 3.2/6 Guidelines for the Re-Life of Non-financial Assets

CEI 3.2/7 Grouped Assets and Componentisation

CEI 3.2/8 Guidelines for the Procurement, Management and Disposal of IT Assets and Equipment

CEI 3.2/9 Management of Software

Australian Government Intellectual Property Manual

Resource Management Guide No. 203: General Duties of Officials

Resource Management Guide 505: Funding Arrangements for Commonwealth Property

32. Compliance reporting

32.1 Annual compliance reporting

- 32.1.1 Government policy requires Chief Executives to report annually – by 15 October each year - on the financial management and financial sustainability of their non-corporate Commonwealth entity. The CEO must provide a Certificate of Compliance for ACBPS to the Minister for Immigration and Border Protection with a copy to the Minister for Finance.
- 32.1.2 Annual Certificates of Compliance relate to ACBPS's compliance with the Commonwealth's Resource Management Framework.

32.2 Responsibilities of officials

- 32.2.1 Officials must record any known breaches of the Commonwealth's Financial Framework in the [Financial Management Compliance System](#) (FMCS). [FMCS](#) help guides are available on the intranet.

32.3 Key references

CEI 6.7/1 Guidelines for the Completion of Compliance Certificates and the Reporting of Breaches

Part 12 – Insurance

33. Insurance

33.1 Insurance providers and risks covered

33.1.1 ACBPS is required to arrange insurance of insurable assets and liabilities through Comcover, and to arrange workers compensation insurance through Comcare. The risks covered include:

- property loss, destruction or damage
- general liability and professional indemnity
- motor vehicle loss, destruction or damage
- personal accident and travel
- expatriate and
- workers' compensation claims

33.2 Responsibilities of officials

33.2.1 Officials must manage public resources in a way that minimises the risk of an insurance claim.

33.2.2 Officials must disclose any insurance risks and report any potential insurance claim or incident to the [Travel, Reporting, Insurance and Policy](#) (TRIP) Team. The TRIP Team must forward these details to Comcover.

33.2.3 Officials must notify the [Travel, Reporting, Insurance and Policy](#) (TRIP) Team when they become aware of any potential insurance claims.

33.3 Role of the TRIP Team

33.3.1 The TRIP team is responsible for:

- provision of internal advice on Comcover insurance matters to officials and
- liaising with Comcover Member Services (CMS) in relation to claims management, insurance renewals, insurance updates, provision of Certificates of Currency and insurable risk assessments.

33.3.2 Additional information, contact details and claim forms are available on the [Comcover](#) page on the intranet.

33.4 Key references

CEI 5.3/1 Guidelines for Insurance, Indemnities and Claims

Part 13 – Working With Other Commonwealth Entities

34. Working with other Commonwealth entities

34.1 Inter entity agreements

34.1.1 On a day-to-day basis, officials from different Commonwealth entities work collaboratively to undertake a number of activities, including the delivery of government services, the making of payments, the formulation of national policies, the implementation of complex reforms and the exchange of information and a range of specialist expertise. The PGPA Act recognises the importance of cooperation with others.

34.1.2 It is important that proper procedures are established to ensure the effective coordination of, and accountability for, inter entity activities. In many cases, a formal inter entity agreement is an important mechanism for establishing and clarifying the way in which Commonwealth entities work together.

34.1.3 Inter entity agreements can take a range of forms including:

- simple exchanges of letters
- service level agreements and
- Memorandums of Understanding.

34.2 Responsibilities of officials

34.2.1 Officials must not enter into arrangements unless they have the delegated power to do so.

34.2.2 Officials undertaking activities that commit or might commit relevant money must comply with the requirements contained in Section 2 of these AALs.

34.2.3 When developing inter entity agreements officials should ensure that it clearly articulates:

- the objectives of the arrangement, including desired outcomes and timeframes
- the roles and responsibilities of the parties
- the details of the activities, including specifications of services or projects to be undertaken

- resources and timeframe to be applied by parties and PGPA framework issues
- the approach to identifying and sharing the risks and opportunities involved
- agreed modes of review and evaluation and
- agreed dispute resolution arrangements.

34.2.4 Officials should ensure that the inter entity agreement addresses accountability requirements, including the requirements in the PGPA Act, to ensure that the CEO meets his/her responsibilities under the PGPA framework.

34.3 Key references

Sections 17, 18, 21 and 23 of the PGPA Act

Section 18 of the PGPA Rule

Sections 1, 2 and 7 of AAI 1: Financial Framework

Audit Report No. 41 2009-10: Effective Cross Agency Agreements

35. Consultation

Integrity and Professional Standards Branch and Legal Services Branch have been consulted in the development of these AAls. As the requirements for AAls are drawn from a number of sources, including the PGPA Act, PGPA Rules and the Finance Minister's Delegation, no other consultation is required.

Endorsement

No.	Section	Contact	Endorsed by
1	Delegations and authorisations	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
2	Approving commitments of relevant money and entering into arrangements	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
3	Guarantees, indemnities and warranties on behalf of the Commonwealth	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
4	Official Travel	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
5	Official Hospitality	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
6	Gifts and Benefits	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
7	Procurement Processes	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
8	Grants	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
9	Commonwealth credit cards	Director Systems Accounting (02) 6275 6584	CFO by minute dated 30 June 2014
10	Making payments	Director Systems Accounting (02) 6275 6584	CFO by minute dated 30 June 2014
11	Discretionary compensation mechanisms	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
12	Receiving relevant money	Director Systems Accounting (02) 6275 6584	CFO by minute dated 30 June 2014
13	Banking	Director Systems Accounting (02) 6275 6584	CFO by minute dated 30 June 2014
14	Loss and recovery of relevant money	Director Systems Accounting (02) 6275 6584	CFO by minute dated 30 June 2014

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No.	Section	Contact	Endorsed by
15	Advance accounts and cash holding accounts	Director Systems Accounting (02) 6275 6584	CFO by minute dated 30 June 2014
16	Investment and borrowing	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
17	User charging	Director Revenue Accounting (02) 6275 6451	CFO by minute dated 30 June 2014
18	Arrangements relating to other CRF Money	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
19	Recovery of debts	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
20	Non-recovery (write off) of debts	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
21	Waiving debts	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
22	Payment by instalments or deferral of the time for payment	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
23	Acquiring relevant property	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
24	Disposing of relevant property	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
25	Custody and use of relevant property	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
26	Loss and recovery of relevant property	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
27	Official Vehicles	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
28	Accounts and Records	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014

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No.	Section	Contact	Endorsed by
29	Taxation obligations	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
30	Asset Management and Portable and Attractive Items	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
31	Compliance reporting	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014
32	Insurance	Director Commercial Services Group (02) 6275 6491	CFO by minute dated 30 June 2014
33	Working with other Commonwealth entities	Director Financial Accounting (02) 6246 1218	CFO by minute dated 30 June 2014

Issued

These instructions are issued by Marion Grant, Acting Chief Executive Officer of Customs under Section 20A of the *Public Governance, Performance and Accountability Act 2013*.

Marion Grant
Acting Chief Executive Officer of Customs

Date: _____



INTERIM ACCOUNTABLE AUTHORITY INSTRUCTION 2.0

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Availability: Internal only

Title: Risk and Internal Control

Purpose: To set out the responsibilities applying to all officials within the Australian Customs and Border Protection Service (ACBPS) with a view to ensuring compliance with the *Commonwealth Risk Management Policy* and the *Public Governance Performance and Accountability Act 2013*.

Owner: National Director, Integrity, Security and Assurance; Chief Risk Officer

Category: Accountable Authority Instruction

Contact: National Manager, Security, Risk and Assurance (02) 6275 6187

Summary of Main Points

Australian Customs and Border Protection Service (ACBPS, the Service) Accountable Authority Instructions are endorsed policy that all Customs and Border Protection employees must follow.

This Accountable Authority Instruction has been developed with a view to ensure compliance with the Commonwealth Risk Management Policy, the Commonwealth Fraud Control Policy and the Finance Minister's Rule which consists of:

- *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*
- *Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)*
- Other legislative instruments
- Other binding requirements
- Guidance and advice

The electronic version published on the Practice Statement Framework SharePoint site, accessible through the Intranet, is the current Accountable Authority Instruction

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Introduction Statement

This Accountable Authority Instruction (AAI) is issued under Section 20A of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. It provides guidance to officials on issues related to compliance with the Commonwealth's Resource Management Framework, which consists of:

- *PGPA Act*
- *PGPA Rule*
- other legislative instruments
- other binding requirements, and
- guidance and advice.

Specifically, this AAI provides instruction to officials on activities relating to corporate governance, including:

- managing risks
- fraud risk management and control, and
- audit.

Definitions

This AAI applies to all Australian Customs and Border Protection Service officials.

Accountable Authority - The person or group of persons who has responsibility for, and control over, a Commonwealth entity's operations, as set out under Section 12 of the *PGPA Act*.

In the context of this AAI, the Accountable Authority is the Chief Executive Officer of Australian Customs and Border Protection Service.

ACBPS and the Service in the context of this AAI is the Australian Customs and Border Protection Service.

Assurance - In the context of this AAI is a part of corporate governance, in which accurate and current information is provided to the Executive about the efficiency and effectiveness of the agency's policies, operational activity and compliance obligations.

Corruption In the context of this AAI the *Customs Administration Act 1985* defines corrupt conduct by a Customs worker as:

- conduct that involves, or is engaged in for the purpose of, the Customs worker abusing his or her position as a Customs worker, or
- conduct that perverts, or is engaged in for the purpose of perverting, the course of justice, or

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- conduct that, having regard to the duties and powers of the Customs worker as a Customs worker, involves, or is engaged in for the purpose of, corruption of any other kind.

Corrupt conduct can take many forms – conflict of interest, improper association, nepotism and cronyism, abuse of office or power, perjury, inappropriate disclosure of information, fabrication or destruction of evidence, fraud and theft. Some types of corrupt conduct involve the commission of criminal offences.

Entity – In the context of this AAI refers to a department of state, a parliamentary department, a listed entity or a body corporate established by a law of the Commonwealth.

Fraud - In the context of this AAI refers to dishonestly obtaining a benefit, or causing a loss, by deception or other means' includes:

- theft
- accounting fraud (false invoices, misappropriation *etc*)
- unlawful use of, or obtaining property, equipment, material or services
- causing a loss, or avoiding and/or creating a liability
- providing false or misleading information to the Commonwealth, or failing to provide it when there is an obligation to do so
- misuse of Commonwealth assets, equipment or facilities
- making or using false, forged or falsified documents, and
- wrongfully using Commonwealth information or intellectual property.

Internal control – In the context of this AAI refers to any process, policy, device, practice or other actions within the internal environment of the Service which modifies the likelihood or consequences of a risk.

Non-Corporate Commonwealth Entity – an entity that is not a body corporate and legally part of the Commonwealth. The ACBPS is a Non-Corporate Commonwealth Entity.

Official in the context of this AAI relates to the definition in Section 13 of the *PGPA Act* to mean:

- (1) Each Commonwealth entity has officials.
- (2) An official of a Commonwealth entity is an individual who is in, or forms part of, the entity.
- (3) Without limiting subsection (2), an official:
 - (a) includes an individual who:

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(i) is, or is a member of, the accountable authority of the entity; or

(ii) is an officer, employee or member of the entity; or

(iii) is an individual, or an individual in a class, prescribed by the rules; and

(b) does not include an individual who:

(i) is a Minister; or

(ii) is a judge; or

(iii) is a consultant or independent contractor of the entity (other than a consultant or independent contractor of a kind prescribed by the rules for the purposes of subparagraph (a)(iii); or

(iv) is an individual, or an individual in a class, prescribed by the rules.

Risk – In the context of this AAI refers to the effect of uncertainty on objectives. An effect is a deviation from the expected – whether positive and/or negative.

Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances or knowledge) and the associated likelihood of occurrence.

Risk appetite – In the context of this AAI, risk appetite refers to the amount of risk the ACBPS is willing to accept or retain in order to achieve its objectives.

It is a statement or series of statements that describes the Service's attitude toward risk taking.

Risk assessment – In the context of this AAI refers to the process of risk identification, risk analysis and risk evaluation.

Risk criteria – In the context of this AAI refers to terms of reference against which the significance of a risk is evaluated.

Risk management – In the context of this AAI refers to coordinated activities to direct and control the Service with regard to risk.

Risk management framework – In the context of this AAI refers to a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Service.

Risk oversight – In the context of this AAI refers to the supervision of the risk management framework and risk management process.

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Risk profile – In the context of this AAI refers to a description of any set of risks. The set of risks can contain those that relate to the Service as a whole, part of the Service or as otherwise defined.

Risk tolerance – In the context of this AAI refers to the levels of risk taking that are acceptable in order to achieve a specific objective or manage a category of risk.

Shared risk – In the context of this AAI refers to a risk with no single owner, where more than one entity is exposed to or can significantly influence the risk.

Scope

References to AAI include references to related Instructions and Guidelines.

This AAI outlines the Service's approach to:

- risk management
- fraud risk management and control, and
- internal audit.

The AAI requires that all ACPBS officials undertake risk management and fraud control responsibilities as prescribed under the *PGPA Act 2013* and relevant *PGPA Rules 2014*. In addition, all ACPBS officials must comply with the instructions around the management of internal audit and the Audit and Risk Committee.

Policy Statement

This AAI outlines the duties of officials as prescribed in the *PGPA Act* and the *PGPA Rule 2014* that relate to risk management, fraud risk management and control and audit.

Risk Management

This AAI commits the ACBPS to the active maintenance of an appropriate Risk Management Framework, endorsed by the Accountable Authority, and assigns key accountabilities and expectations of officials to manage risks. The Service is committed to a program of continuous improvement, ongoing monitoring of risks, and assessing the effectiveness of controls.

The ACBPS Risk Management Framework has been developed in accordance with the current *AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines*, and the *Commonwealth Risk Management Policy* (CRMP). Under section 16 of the *PGPA Act*, all non-corporate Commonwealth entities must comply with this policy.

The Risk Management Framework provides a basis for the holistic management of strategic, operational and corporate risks that could impact the successful achievement of the Service's objectives, and is therefore aligned to ACBPS strategic plans and objectives. It enables the Service to be agile and responsive, to seek opportunity and therefore articulate

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a 'risk appetite' that allows for calculated risk decisions to be taken based on sound evidence, and to support the achievement of our strategic objectives.

Embedding the Risk Management Framework into business management and reporting practices creates a proactive, risk aware culture at both the collective and individual responsibility levels. It ensures that risks to the Service are well understood, considered and factored into decision making, and that the ACBPS will be strongly placed to understand and better manage risk. This approach supports compliance expectations under the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* relating to the proper use of Commonwealth resources.

Fraud Risk Management and Control

This AAI commits the Accountable Authority to take all reasonable measures to prevent, detect, and deal with fraud relating to the ACBPS. This includes conducting regular fraud risk assessments, developing and implementing a fraud control plan that deals with identified risks and ensuring that the risk of fraud is taken into account in planning and conducting the activities of the Service.

Further, Section 10 of the *PGPA Rule (the Fraud Rule)* provides that the Accountable Authority must have appropriate mechanisms within the ACBPS for:

- preventing fraud, including ensuring that officials in the entity are made aware of what constitutes fraud
- detecting fraud, including a process for officials of the entity and other persons to confidentially report suspected fraud to the entity
- investigating or otherwise dealing with fraud or suspected fraud, and
- recording and reporting incidences of fraud or suspected fraud.

The ACBPS Fraud Control Framework has been developed in accordance with the *Commonwealth Fraud Control Policy (CFCP)*, which under Section 21 of the *PGPA Act* applies directly to all non-corporate Commonwealth entities.

ACBPS officials must act in accordance with their general duties under the *PGPA Act*, which includes acting in accordance with the ACBPS fraud control plan.

Audit

This AAI sets out the obligations on the Chief Executive Officer (CEO) of ACBPS to establish an Audit and Risk Committee, and on that Committee to ensure that it undertakes its responsibilities, as prescribed by Section 45 of the *PGPA Act* and Section 17 of the *PGPA Rule 2014*, in relation to:

- risk management
- internal controls

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- financial statements
- legislative and policy compliance
- internal audit
- external audit, and
- governance arrangements.

The Audit and Risk Committee helps the Service comply with obligations under the finance law (the *PGPA Act*, the *PGPA Rule* and the Finance Minister's Rule (FMR)).

The Audit and Risk Committee provides a forum for communication between the accountable authority, senior executives of the ACBPS and its internal and external auditors (i.e. the Australian National Audit Office).

Separate guidance on the financial management requirements contained in the Commonwealth's Resource Management Framework is included in *AAI 1.0 – Resource Management – Financial Framework*.

Part One. Risk Management

1 Risk Management Duties

1.1 Legislative Regulatory Environment

- 1.1.1 The CEO, as the Accountable Authority, has a duty under Section 15 of the *PGPA Act* to govern the ACBPS in a way that promotes the proper use and management of the public resources for which the Accountable Authority is responsible. In doing so, under Section 16 of the *PGPA Act*, the Accountable Authority needs to actively manage risk in order to promote the efficient, effective, economical and ethical use of public resources.
- 1.1.2 Under Section 22 of the *PGPA Act*, the ACBPS Accountable Authority must ensure that where a government policy order has been issued by the Finance Minister that the order is complied with.
- 1.1.3 The principles of sound risk management are outlined in the Commonwealth Risk Management Policy 2014.
- 1.1.4 Under Section 16 of the *PGPA Act*, all ACBPS officers have a responsibility for managing risk.

1.2 Key risk management references

<i>PGPA Act</i> Section:	15, 16, 22
<i>PGPA Rule</i> :	10, 17

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2 Risk Management: Officials' Responsibilities

2.1 Accountability and Responsibility for Risk Management in the ACBPS

- 2.1.1 Under Section 16 of the *PGPA Act*, accountability and responsibility for the Service's performance lies with the Accountable Authority. This includes overall accountability for the Service's management of risk.
- 2.1.2 It is the responsibility of all officials within the ACBPS to undertake the management of risk in accordance with the ACBPS Risk Management Framework.
- 2.1.3 All ACBPS officers must actively manage risks that are part of day-to-day work by:
- identifying key risks and responding to them, and
 - reporting key risks to the accountable person

in accordance with the ACBPS Risk Management Framework.

3 ACBPS Risk Management Framework

3.1 Key Framework Principles

- 3.1.1 The ACBPS Risk Management Framework is managed transparently with the Accountable Authority (defined under Section 12 subsection (2) of the *PGPA Act*) being accountable for the Service's risks.
- 3.1.2 The Executive mandates the explicit consideration of risks and the articulation of risk management strategies against ACBPS strategic objectives at all levels of organisational planning – Strategic, business planning and/or operational plans.
- 3.1.3 The ACBPS Risk Management Framework is integrated into the Service's overarching governance, financial, assurance and compliance frameworks.
- 3.1.4 The ACBPS Risk Management Framework is tailored to the needs of the Service and is proportionate to its risks.
- 3.1.5 Risk owners are embedded within the business areas managing identified risks, and are accountable for the management of risks to which they have been assigned.
- 3.1.6 Control owners and treatment owners are assigned to risks and are accountable for delivering mitigation strategies against those which they have been assigned responsibility.
- 3.1.7 The ACBPS Risk Management Framework is dynamic, and is subject to ongoing review for the purpose of continual improvement and the maintenance of better risk management practice.
- 3.1.8 Risk reporting is integrated into all business management planning and activities, encouraging continuous improvement in all business activities and embedding a positive risk aware culture throughout the Service.

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- 3.1.9 Risk management is the responsibility of all ACBPS employees. All risk management activities conducted within the Service are to be conducted in accordance with the ACBPS Risk Management Framework.
- 3.1.10 Where risks are identified, decisions must be taken, and documented, on whether to tolerate, treat, transfer, terminate or pursue that risk.

4 Risk Management Arrangements

4.1 Risk Management Activity

4.1.1 Risk management activities should occur:

- prior to the development of new policy, procedures, project proposals and new programmes
- for new or changing activities, processes, procedures, projects and programmes
- within work areas when risks or emerging risks are identified, and
- when a control failure has been identified.

4.2 Workplace Health and Safety

- 4.2.1 All officers, workgroups and committees in the Service have a duty and responsibility to comply with the ACBPS Health and Safety Management Arrangements as outlined in *C_WHS02 – Health and Safety Management Arrangements*.
- 4.2.2 All workplace health and safety risks identified must be addressed by the relevant supervisor/manager. Actions to manage these risks must be included in risk management plans and in accordance with ACBPS Workplace Health and Safety policies.

4.3 Risk Management Assurance

- 4.3.1 An integral part of the Risk Management Framework is the determination of whether risk management processes are working effectively and whether business-critical risks are being managed to an acceptable level, in order to achieve organisational objectives. This is a key element for the maintenance and continual improvement of the ACBPS Risk Management Framework and monitoring of internal controls.
- 4.3.2 To gain reliable assurance the ACBPS Executive will use multiple providers and sources of assurance, including:

- management assurance
- internal assurance, and
- external audit assurance.

- 4.3.3 To gain maximum benefit from assurance services, use must be coordinated to ensure that there are no significant gaps in coverage and that any overlap serves valid governance and risk management purpose.
- 4.3.4 The Chief Audit Executive (CAE) coordinates activity across all assurance providers.
- 4.3.5 Assurance activities and risk management must be co-ordinated in accordance with *AAI2.0/9 Assurance Framework*.

4.4 Business Continuity Management

- 4.4.1 The Risk Management Framework is supported by the Business Continuity Management (BCM) Framework, which provides a control mechanism for high consequence, low likelihood risk events which may affect the Service's ability to undertake core business activities.
- Business Continuity Plans (BCPs) should be developed, and Business Continuity Management conducted in accordance with the *Instruction and Guideline AAI 2.0/6 Business Continuity Management*.
- 4.4.2 Managers and/or Directors must assess work areas and determine whether associated functions support the delivery of the Service's critical business objectives, using the *Strategic Business Impact Analysis* and the *Operational Business Impact Analysis* as guides.
- 4.4.3 The EC will endorse, by formal resolutions or other directive, a Strategic BIA to inform the Service's critical business objectives. The Strategic BIA will be reviewed every 12 months, at a minimum.
- 4.4.4 BCP owners must ensure their business continuity plans cover for loss of:
- use of accommodation
 - energy and other essential utilities
 - information technology and communications
 - workforce, and
 - transport and physical assets.
- 4.4.5 BCPs should be stored both locally within the work area (hard copy and electronically), and offsite and readily accessible to the next level manager.
- 4.4.6 All BCPs must be lodged on the Business Continuity Management Register. Storage and dissemination of BCPs will be conducted in line with *C_IMT04 – Record Keeping* and protective security requirements.

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- 4.4.7 Major components of BCPs should be tested at least annually and lessons learned incorporated into the planning process. The reporting and maintenance requirements for BCPs are outlined in *AAI 2.0/6A Business Continuity Plan Maintenance and Reporting Associated Document*.

4.5 Post Action Reviews

- 4.5.1 The Post Action Review Program provides a framework for identifying and proposing business improvements that will enhance the Service's management of similar incidents in the future. The Program is outlined in *AAI 2.0/3 Post Action Review*.
- 4.5.2 Post Action Reviews form part of the continuous improvement cycle by identifying both better practice and deficiencies; and subsequently recommending business practice changes or control improvement options which benefit the Service as a whole.

4.6 Exercises

- 4.6.1 Exercises provide a controlled objective assessment of processes or capabilities which enables gaps, deficiencies and vulnerabilities to be identified and corrected; enhancing capability and contributing to a culture of continuous improvement.
- 4.6.2 Exercises must be managed as outlined in *AAI 2.0/4 Exercise Program Management*.

4.7 Control Tests

- 4.7.1 Control Tests support the Risk Management Framework by testing and monitoring known or emerging areas of risk and the associated controls around those risks and business processes within which these occur. They are planned activities designed to test the uncertainty of defined threats and identify vulnerabilities in processes at the Border.
- 4.7.2 Control Tests must be managed in accordance with the *AAI 2.0/5 Control Tests (tbd)*.

5 Risk Management Reporting Requirements

5.1 Strategic Risk Register

- 5.1.1 The Strategic Risk Register is a centralised risk register capturing strategic risks to the Service's highest level objectives.
- 5.1.2 The Executive Committee must review the Strategic Risk Register on a quarterly basis.

5.2 Corporate Planning

- 5.2.1 In compliance with Section 35 of the *PGPA Act*, a Corporate Plan will be developed. National Director, Strategy, Planning and Resources is responsible for delivery of the ACBPS Corporate Plan.

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- 5.2.2 The ACBPS *Corporate Plan* articulates priority focus areas for the forthcoming year, in line with ACBPS strategic objectives. It details the operating environment, financial position, challenges and articulates the key risks to the Service's strategic priorities and organisational objectives. The ACBPS *Corporate Plan* and *Strategic Planning Guidance* informs divisional and branch planning activities.
- 5.2.3 Risk management activities within line areas will be incorporated into, and inform the broader business planning cycle. High level risks and the activities supporting the management of these risks are reported within *Branch Plans* and *Divisional Statements*.

5.3 Risk Management Plans

- 5.3.1 Risk management plans support the delivery of objectives. As such, risks stated within Risk Management Plans should be aligned to divisional and branch priorities and inform activities supporting those priorities.
- 5.3.2 For risks that exceed risk tolerance, controls must be identified within the Risk Management Plan. Each control is allocated a Control Owner, whose position is responsible for its application and ongoing management.
- 5.3.3 Additional risk treatments to improve the management of a risk or supplement existing controls should be identified within the Risk Management Plan. Risk treatment strategies are allocated a Treatment Owner, whose position is responsible for its design and implementation.
- 5.3.4 Managers with responsibilities for risks should ensure that risk management plans are reviewed, monitored and current. Risk management plans should be accessible and fit for purpose.

5.4 Exception Reporting

- 5.4.1 Exception reporting should occur when a risk owner identifies that there is a lack of capacity, authority, or resources to manage a risk; or where control breakdowns are apparent.
- 5.4.2 Exceptions are reported to the next level manager/s as soon as possible, or in specific classes of risk, to the appropriate committees (e.g. staffing levels or minor/major works through the Recruitment Sub-committee and Investment Review Committee respectively).
- 5.4.3 Exception reporting applies to workplace health and safety risks, or any other risks where urgent remedial action is warranted.
- 5.4.4 National Manager (or higher) level exception reports must be submitted as soon as possible to the relevant National Director, Deputy Chief Executive Officer (DCEO), or to the CEO for appropriate action. This may include bringing issues to the broader attention of the Performance and Project Assurance Committee where the risk identified has enterprise-wide or national implications.

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- 5.4.5 The decision to escalate exception reports to the Performance and Project Assurance Committee is made at the National Director / DCEO level. All exception risk report submissions are to be lodged on the ACBPS Strategic Risk Register.

5.5 Risk Review Periods

- 5.5.1 Risk review frequency is scalable: the higher the residual risk, the more frequent the review. Recommended review cycles are outlined in the *AAI 2.0/2 Risk Management Instructions and Guidelines*.
- 5.5.2 Risk Owners are responsible for reviewing risks to which they have been assigned ownership, in accordance with *AAI 2.0/2 Risk Management Instructions and Guidelines*.
- 5.5.3 Workplace Health and Safety (WHS) risks will be reviewed bi-annually as a minimum.
- 5.5.4 As a minimum requirement, all risks identified within this framework should be reviewed annually or when substantial organisational change occurs.

5.6 Risk Treatment Resource Allocation

- 5.6.1 Agreed risk treatment strategies must be allocated appropriate financial and human resources to design and implement these strategies as enduring controls.
- 5.6.2 Proposals for significant expenditure on risk treatment strategies should, where appropriate, escalate into the Performance and Projects Assurance Committee for consideration.

6 Training and Communication

- 6.1.1 Appropriate risk management and risk-related awareness training is mandatory for ACBPS officers and is outlined in *AAI 2.0/2H Risk Management Training and Mentoring Strategy*.
- 6.1.2 All staff will be kept informed of risk management initiatives through articles published on the [Intranet](#), via the intranet [Risk Portal](#), and through ongoing engagement with the Enterprise Risk Management Team.

7 Risk Management Governance

7.1 Chief Executive Officer

- 7.1.1 The Chief Executive Officer is the Accountable Authority under Section 12 subsection (2) of the *PGPA Act* and is responsible under Sections 16 (a) and (b) of the *PGPA Act* for managing risk in accordance with the key principles outlined in the Commonwealth Risk Management Policy.

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7.2 Chief Risk Officer

- 7.2.1 The Chief Risk Officer (CRO) promotes structured and transparent processes regarding risk management, governance, decision-making and assurance. The CRO is the primary driver of the Service-wide risk management approach.

7.3 Chief Audit Executive

- 7.3.1 The Chief Audit Executive (CAE) provides high level advice to the CEO and to the Audit and Risk Committee regarding the conduct, outcomes and implementation of internal audit processes. The CAE ensures that internal audit forward planning aligns with the Service's risk profile and is directed to where assurance activities will be most valuable and impactful.

7.4 Executive Committee

- 7.4.1 The Executive Committee (EC) supports the CEO by:
- setting the strategy for managing risk throughout the Service
 - reviewing and articulating the overall risk appetite of the Service with respect to strategic objectives and priorities on an annual basis
 - identifying, analysing and evaluating strategic risks, and monitoring and reviewing the implementation of treatment strategies and the effectiveness of controls, and
 - receiving and acting on advice from the Audit and Risk Committee regarding the effectiveness of the Risk Management Framework.

7.5 The Performance and Project Assurance Committee

- 7.5.1 The Performance and Project Assurance Committee is responsible for oversight of risk management within the Service. This includes:
- commissioning analysis on significant risk events
 - monitoring and reviewing the management of key risks within the ACBPS, including exceptions
 - overseeing the implementation of treatments for key risks within the ACBPS, including exceptions
 - investment decisions around risk treatment strategies
 - defining and setting risk tolerance for specific enterprise risks as they arise, and
 - supporting a proactive risk aware culture throughout the Service.

7.6 Audit and Risk Committee

- 7.6.1 The Audit and Risk Committee is required under Section 45 of the *PGPA Act 2013* and Section 17 of the *PGPA Rule 2014* to provide assurance on the Service's risk management approach, and advice to the CEO, as the Accountable Authority, on how key risks should be managed.
- 7.6.2 The Audit and Risk Committee is the primary committee responsible for risk assurance within ACBPS, and is separate from executive management. Specific roles and responsibilities for the Audit and Risk Committee are outlined in the *Audit and Risk Committee Charter* and at Part 3 within this AAI.

7.7 External Arrangements

- 7.7.1 ACBPS will maintain its relationships with other Commonwealth agencies by working to manage risks that are shared or transferred between entities.
- 7.7.2 ACBPS will maintain its relationships with industry or State based entities (government and otherwise) by working to manage risks that are shared or transferred between entities.

8 Record Keeping and Information Management

8.1 Enterprise Risk Register SharePoint Site

- 8.1.1 Once risk assessments are complete, they should be entered into a risk register using the Risk Assessment and Register template which can be located on the [Risk Portal](#), on the Intranet.
 - The risk register should contain the details of all risks identified, including the risk owners, control owners and treatment owners, treatment strategies and review dates.
- 8.1.2 All risk registers must be lodged with the Enterprise Risk Management team and will be hosted on a centralised Enterprise Risk Register SharePoint Site.
- 8.1.3 The centralised Enterprise Risk Register SharePoint Site is administered and maintained by the Enterprise Risk Management Team. More information on the Enterprise Risk Register is available in *Instructions and Guideline - AAI 2.0/2 Risk Management*.
- 8.1.4 Work area risk assessments and treatment strategy plans are stored in soft copy within relevant work area and should be captured within the appropriate risk register.

Part Two: Fraud Control

9 Fraud Control Duties

9.1 Legislative Regulatory Environment

9.1.1 The Accountable Authority, under Section 10 of the *PGPA Rule* (the Fraud Rule) must take all reasonable measures to prevent, detect, and deal with fraud relating to the ACBPS. This includes:

- conducting regular fraud risk assessments,
- developing and implementing a fraud control plan that deals with identified risks, and
- ensuring that the risk of fraud is taken into account in planning and conducting the activities of the ACBPS.

9.1.2 Under Section 10 of the *PGPA Rule* the Accountable Authority must ensure that the ACBPS has appropriate mechanisms for:

- preventing fraud, including ensuring that ACBPS officials are made aware of what constitutes fraud
- detecting fraud, including a process for ACBPS officials and other persons to confidentially report suspected fraud to the Service
- investigating or otherwise dealing with fraud or suspected fraud, and
- recording and reporting incidences of fraud or suspected fraud.

9.1.3 All ACBPS officials must act in accordance with the ACBPS Fraud Control Plan under Section 10 of the *PGPA Rule*.

9.2 Key fraud risk management and control references

<i>PGPA Act</i>	s15, s16, s20, s102
<i>PGPA Rule</i>	s10 (the Fraud Rule)

10 Fraud Control

10.1 Guidelines and Procedures

10.1.1 The Fraud Rule sets out the key principles of fraud control which all accountable authorities must comply with, but allow entities flexibility to develop measures which are adapted to the risks of that entity's own arrangements.

10.1.2 The additional procedural requirements in the CFC Policy supplement the Fraud Rule to ensure key elements of fraud control are maintained by entities. The procedures relate to fraud control activities in particularly sensitive areas, where there is a high

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risk of significant impact to the entity if they are not appropriately maintained. The procedures are also necessary to ensure accountability.

11 Fraud Control Roles and Responsibilities

11.1 Chief Executive Officer

11.1.1 As the Accountable Authority, the CEO is responsible for fraud control and corruption prevention within the ACBPS and must implement a Fraud Control and Anti-Corruption Plan for the Service under Section 10 of the *PGPA Rule*.

11.1.2 The CEO will certify to the Minister for Immigration and Border Protection within the Service's Annual Report that he/she is satisfied that:

- fraud risk assessments and fraud control plans have been prepared, and
- that appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes are in place

to meet the needs of ACBPS and comply with the CFC Policy.

11.1.3 The CEO will ensure that the *Fraud Control and Anti-Corruption Report* (the *Report*) is prepared at least every two years in compliance with the CFC Policy.

11.1.4 The CEO will submit the *Report* to the Minister for Immigration and Border Protection (the Minister) and the Australian Federal Police (AFP) as soon as practical after completion.

11.2 National Manager, Integrity and Professional Standards

11.2.1 The CEO is responsible for the management and implementation of fraud control and corruption prevention activities within the Service and delegates that function to the National Manager Integrity and Professional Standards.

11.2.2 The National Manager Integrity and Professional Standards is delegated by the CEO to prepare the *Fraud Control and Anti-Corruption Report*.

11.3 Integrity and Professional Standards Branch

11.3.1 Integrity and Professional Standards Branch (I&PS) has the primary responsibility for the strategic management of fraud control and anti-corruption activities for the Service.

11.3.2 I&PS is responsible for coordinating and managing fraud control and corruption prevention arrangements throughout the ACBPS, including the:

- coordination and maintenance of fraud and corruption risk assessments,
- developing and maintaining databases for recording, reporting and managing incidents of fraud and/or suspected fraud, within the ACBPS, and

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- developing, maintaining and updating the *ACBPS Fraud Control and Anti-Corruption Plan* on behalf of the Accountable Authority.

11.4 Integrity Assessment Committee

- 11.4.1 The Integrity Assessment Committee (IAC) will oversee the assessment and management of complaints about the integrity of employees of the Service and other Customs officials.
- 11.4.2 The Instruction and Guideline, *C_LDR12/17 Integrity Assessment Committee*, outlines the role, function and operation of the IAC.

11.5 Integrity Support and Referral Network

- 11.5.1 The Integrity Support and Referral Network (ISRN) provides Customs officials access to information, support and options and an alternative reporting avenue for matters relating to the mandatory reporting of serious misconduct, corrupt conduct and criminal activity involving Customs workers; as detailed in [Chief Executive Officer \(CEO\) Order 2 of 2013](#), which can be found on the Intranet.

11.6 All Customs Officials

- 11.6.1 All Customs officials must act in accordance with the *ACBPS Fraud Control and Anti-Corruption Plan*.
- 11.6.2 All Customs officials must comply with the CEO Order 2 of 2013, which can be found on the [Intranet](#).

12 Fraud Control Arrangements

12.1 Fraud Control and Anti-Corruption Plan

- 12.1.1 The *ACBPS Fraud Control and Anti-Corruption Plan (the Fraud Plan)* will be developed every two years as required by the Commonwealth Fraud Control (CFC) Policy. The National Manager Integrity and Professional Standards is responsible for the development of this document.

12.2 Fraud and Corruption Risk Assessments

- 12.2.1 Fraud and corruption risk assessments will be undertaken, once every two years as a minimum and will be coordinated and maintained by I&PS.
- 12.2.2 When there is substantial change in the structure, functions or activities within the ACBPS, fraud and corruption risk assessments will be undertaken.

12.3 Fraud Control and Anti-Corruption Report

- 12.3.1 The *Report* will be prepared, every two years as a minimum and submitted to the Minister for Immigration and Border Protection (the Minister) and the Australian Federal Police (AFP) as soon as practical after completion.

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12.3.2 The *Report* will include the following:

- a report containing an assessment of fraud and corruption risks within the ACBPS and the ACBPS environment
- an assessment of the previous *ACBPS Fraud Control and Anti-Corruption Plan*; and
- the subsequent *ACBPS Fraud Control and Anti-Corruption Plan*; prepared with regard to the information in the assessments referred to above.

12.3.3 A copy of the *Report* is provided to the Australian Commission for Law Enforcement Integrity (ACLEI).

12.4 Additional Information

12.4.1 Additional information on implementing the requirements in the CFC Policy are detailed in the *Resource Management Guide on Preventing, Detecting and Dealing with Fraud*; as issued by the Department of Finance.

13 Fraud Reporting and Investigative Arrangements

13.1 Internal Reporting

13.1.1 Incidents of suspected fraud and corruption encountered by officials during official duties should be reported immediately to I&PS.

13.1.2 Customs officials are encouraged to discuss and clarify their concerns with an Integrity Support Officer from the Integrity Support and Referral Network (ISRN). Contact details for ISRN, and other areas a Customs worker may go to are available on the [Intranet](#).

13.1.3 Reports of suspected fraud, corruption or misconduct may be made anonymously.

13.1.4 Suspected fraud, corruption or misconduct can be reported internally via the mechanisms outlined on Integrity and Professional Standards [Intranet](#) site.

13.1.5 I&PS should be consulted prior to the commencement of any management initiated review processes.

13.1.6 Further information on reporting suspected breaches of the Code of Conduct can be found in *C_LDR12/13 Procedures for determining suspected breaches of the Code of Conduct*.

13.2 Mandatory Reporting

13.2.1 Reporting of serious misconduct, corrupt conduct and criminal activity involving Customs workers is mandatory under *CEO Order 2 of 2013*, issued on 15 February 2013, which can be found on the [Intranet](#) under Integrity and Professional Standards.

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- 13.2.2 Additional instruction and guidance on mandatory reporting is provided in *C_LDR12/15 Mandatory reporting of serious misconduct, corrupt conduct and criminal activity involving Customs workers*.

13.3 Organisational Suitability Assessments

- 13.3.1 The ACBPS assesses character and integrity suitability for non-public access to ACBPS premises, information, systems or assets by conducting an Organisational Suitability Assessment (OSA).
- 13.3.2 It is an essential qualification for the performance of any duties as an ACBPS employee that an endorsed OSA is obtained and maintained at all times.¹
- 13.3.3 When the ACBPS considers it necessary for any other person to undergo an OSA, that person must obtain and maintain an endorsed OSA.
- 13.3.4 Failing to obtain or maintain an OSA or relevant security clearance may lead to an assessment that an ACBPS employee lacks or has lost an essential qualification for performing his or her duties. Lack of an essential qualification is a ground for termination of employment under s29(3)(b) of the *Public Service Act 1999*.
- 13.3.5 Additional instruction and guidance on OSA's is provided in *C_LDR12/21 Organisational Suitability Assessments*.

13.4 Drug and Alcohol Management Programme

- 13.4.1 The ACBPS has established a Drug and Alcohol Management Program to enforce the Service's zero tolerance for the possession, use and selling of prohibited drugs, and its commitment to an alcohol-free workplace.
- 13.4.2 The ACBPS has the authority under the *Customs Administration Act 1985* to require customs workers to undergo alcohol and prohibited drug testing.
- 13.4.3 Customs workers found to be in breach of *C_LDR18 Drug and Alcohol Management Programme* can expect to face serious consequences, up to Code of Conduct investigations and criminal prosecution.

13.5 External Reporting

- 13.5.1 Allegations of fraud or corruption involving Customs workers may also be reported directly to ACLEI. Contact details for ACLEI can be found at www.aclei.gov.au.
- 13.5.2 If a Customs worker believes they are unable to report via the methods detailed above, they may contact the Public Service Commissioner or the Commonwealth Ombudsman.

¹ Unless the OSA requirement is waived by the CEO or unless a person holds a deemed OSA based on a prior assessment (e.g. a fit and proper person check).

13.6 Reporting Major Fraud Risk to the Australian Federal Police

13.6.1 I&PS will advise the AFP annually of any relevant information of current identified major fraud risks to assist the AFP in the provision of appropriate investigative services.

13.6.2 Reporting current identified major fraud risks to the AFP can be achieved through:

- the provision to the AFP of copies of the Service's fraud and corruption risk assessments and *Fraud Control and Anti-Corruption Plan*, and/or
- by entering into a bilateral agreement.

13.7 Internal Investigations

13.7.1 I&PS will investigate routine or minor instances of fraud and corruption.

13.7.2 Instances of serious or complex fraud involving Commonwealth interests will be assessed by I&PS.

13.8 Referral of Serious or Complex Fraud to External Law Enforcement Entities

13.8.1 I&PS will report all instances of serious or complex fraud involving Commonwealth interests to the Australian Federal Police (AFP) and/or ACLEI as required.

13.8.2 In circumstances where the CFC Policy provides for the investigation of cases of serious or complex fraud without referral to the AFP, I&PS will advise the AFP and/or ACLEI with relevant details of the matters under investigation as required.

13.8.3 Criminal activity likely to have politically sensitive implications will be referred from the National Manager I&PS to the AFP.

14 Training and Communication

14.1 Training and Communication Strategy

14.1.1 I&PS will provide mandatory training and awareness sessions relating to integrity, corruption and fraud to all new Customs officials on induction into the Service.

14.1.2 I&PS develops and is responsible for the maintenance of all eLearning modules relating to integrity, corruption and fraud awareness, within the Service.

14.1.3 All Customs officials must successfully complete the mandatory Integrity, Corruption and Fraud Awareness E-learning module annually. Successful completion of this eLearning module is reported in individual Performance Assessment and Feedback (PAF).

14.1.4 Investigations of allegations of fraud and corruption must be conducted with officers holding the appropriate qualifications and experience (at a minimum, a Certificate IV in Investigations) and as outlined in the Australian Government Investigations Standards.

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Part Three: Audit

15 Audit Duties

15.1 Legislative Regulatory Environment

15.1.1 The Accountable Authority of ACBPS must, under Section 45 (1) of the *PGPA Act* and *PGPA Rule* Section 17 establish and maintain an Audit Committee, with functions that include, amongst other things:

- ensuring ACBPS meets its obligations under the *PGPA Act* and *PGPA Rules*, and
- provide a forum for communication between the accountable authority, senior managers of the ACBPS and its internal and external auditors.

15.1.2 The ACBPS has a combined Audit and Risk Committee which fulfils this obligation.

15.1.3 The Audit and Risk Committee plays a vital part in the overall governance framework of the ACBPS. It has a key role to play in providing advice on all matters related to:

- financial reporting
- performance reporting
- the appropriateness of the risk management framework, including fraud risk management and control, and
- the system of internal control.

15.1.4 The ACBPS Audit and Risk Committee is to be constituted in accordance with the requirements set out in *PGPA Rule* Section 17 subsections (3),(4) and (5).

15.1.5 The *PGPA Act*, the *PGPA Rule* and the *Finance Minister's Rule (FMR)* mandates that all Customs officials must cooperate with:

- the Service's internal audit function
- the ACBPS Audit and Risk Committee, and
- the Commonwealth Auditor-General, represented by officials of the Australian National Audit Office.

15.2 Key audit references

<i>PGPA Act</i>	s45, s83
<i>PGPA Rule</i>	s17
Finance Minister's Rule	

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16 Terms of Reference and Functions of the Audit and Risk Committee

16.1 Terms of Reference of the Audit and Risk Committee

16.1.1 The terms of reference for the ACBPS Audit and Risk Committee (ARC), established by the Accountable Authority under Section 45 of the *PGPA Act*, includes particulars of the:

- membership of the Committee
- frequency of the meetings of the Committee and
- functions and responsibilities of the Committee.

16.2 Functions and Responsibilities of the Audit and Risk Committee

16.2.1 The functions and responsibilities of ARC are detailed in the ARC Charter and include:

- the approval of ACBPS's internal annual audit plans
- the review of all audit reports involving matters of concern to senior management of ACBPS and including the identification and dissemination of good practices
- provision of advice to the CEO on action to be taken on matters of concern raised in a report of the internal auditors or the Auditor-General (concerning ACBPS)
- the coordination of audit programs conducted by Internal Audit and as far as practicable, the programs conducted by the Auditor-General and
- provision of advice to the CEO on the preparation and review of financial statements.

17 Compliance with Better Practice

17.1.1 As appropriate, the ARC's functions and responsibilities are to be in accordance with the Australian National Audit Office (ANAO) *Public Sector Audit Committees Better Practice Guide* (August 2011) and *Public Sector Internal Audit Better Practice Guide* (September 2012).

18 Audit and Risk Committee Charter

18.1 Background

18.1.1 The CEO approved the current ARC Charter which sets out the ARC's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

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18.2 Objective

18.2.1 The objective of the ARC is to provide independent advice, assurance and assistance to the CEO on the appropriateness of:

- ACBPS's system of risk oversight and management
- system of internal controls
- financial and performance reporting
- compliance, and
- external accountability responsibilities.

18.3 Authority

18.3.1 The Accountable Authority authorises the ARC, within the scope of its role and responsibilities, to:

- obtain any information it needs from any ACBPS official and/or external party (subject to their legal obligation to protect information)
- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations)
- assist in the resolution of any disagreements between management and the external auditor regarding financial reporting
- oversee the operations of the internal audit activity
- request the attendance of any ACBPS official, including the CEO, at ARC meetings, and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at ACBPS's expense (subject to the Chair's approval and discussion with the Chief Financial Officer (CFO) in the first instance and CEO if necessary).

18.3.2 The ARC is an assurance body and does not displace or change management accountability arrangements. The ARC is empowered to enhance:

- the ACBPS governance framework
- risk management practices
- control environment, and
- financial and performance reporting

by providing independent and strategic level assurance and advice.

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18.4 Composition and Tenure

18.4.1 The ARC will consist of internal and external members appointed by the CEO. The ARC is to consist of at least three persons.

- During the course of 2014-15, at least one member of the ARC will be an independent (external) member.
- On and after 1 July 2015, the majority of the ARC's members will be persons who are not officials of the ACBPS.

18.4.2 The CEO will appoint an independent (external) Chair of the ARC.

18.4.3 The CEO and Chair of the ARC are authorised to appoint a Deputy Chair who will act as Chair in the absence of the Chair.

18.4.4 In appointing members to the ARC, the CEO will have regard to:

- the ACBPS governance framework and assurance mechanisms
- the appropriateness of their qualifications, knowledge, skills or experience to assist the ARC to perform its functions, and
- the key risks to the ACBPS, including risks relating to program delivery and implementation.

18.4.5 The CEO, Chief Finance Officer, Chief Information Officer, Chief Audit Executive (CAE) will not be members of the ARC. However, they and the external auditors (Australian National Audit Office (ANAO)) may attend meetings as observers as determined by the Chair.

18.4.6 The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the ACBPS.

18.4.7 Members will be appointed for an initial period not exceeding three years. Members may be reappointed after a formal review of their performance, for a further period not exceeding two years, unless otherwise agreed following discussions with the Chair and the CEO.

18.4.8 Members of the ARC are expected to understand and observe the legal requirements of the *Public Governance and Accountability Act 2013*. Members are also expected to:

- act in the best interests of the Commonwealth
- apply good analytical skills, objectivity and good judgment
- express opinions constructively and raise issues that relate to the ARC's responsibilities and pursue independent lines of enquiry, and
- contribute the time required to review the papers provided.

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19 Audit and Risk Committee Roles and Responsibilities

19.1 General Roles and Responsibilities

- 19.1.1 The ARC has no executive powers, except for the power delegated to it by the CEO.
- 19.1.2 The ARC is directly responsible and accountable to the CEO for the exercise of its responsibilities. In carrying out its responsibilities, the ARC must at all times recognise that primary responsibility for the management of ACBPS rests with the CEO.
- 19.1.3 The responsibilities of the ARC may be revised or expanded in consultation with, or as requested by, the CEO from time to time.

19.2 Chief Audit Executive

- 19.2.1 The CAE is a senior position within ACBPS, responsible for the overall quality assurance and reporting of internal audit activities, including the 'follow-up' of engagement results.

19.3 Risk Oversight and Management

- 19.3.1 The ARC's responsibilities in relation to the ACBPS are to:

- provide assurance oversight of risk framework, policy and aspects of implementation and oversight
- review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification, oversight and management of financial and business risks, including fraud risk
- review the operational effectiveness and consistent application of the risk management framework including the risk management plan and business continuity plan
- review whether a sound and effective approach has been followed in managing, overseeing and monitoring major risks including those associated with individual projects, programme implementation, and activities
- assess the impact of the risk management framework on the control environment
- determine whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically tested and updated
- assess the adequacy of the broader integrity system, and

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- review the process of developing and implementing fraud control arrangements and satisfy itself that appropriate processes and systems are in place to detect, capture and effectively respond to fraud-related information.

19.4 System of Internal Control

19.4.1 The ARC's responsibilities in relation to Internal Controls are to:

- review whether the CEO and management's approach to maintaining an effective system of internal control, including over external parties such as contractors and advisors, is sound and effective
- review whether management has in place relevant policies and procedures, including AAls or their equivalent, and that these are periodically reviewed and updated
- determine whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with
- review whether appropriate policies and supporting procedures are in place for the management and exercise of delegations
- consider how management identifies any required changes to the design or implementation of key internal controls, and
- assess whether the CEO has taken steps to embed a culture that promotes the proper use and management of public resources (as per the *PGPA Act* Section 15) and is committed to ethical and lawful behaviour.

19.5 Financial Reporting

19.5.1 The ARC's responsibilities in relation to Financial Reporting are to:

- satisfy itself about the adequacy of key internal controls and that financial reports (including the financial statements, internal budgeting and reporting) are supported by appropriate management sign-off
- review financial reports, including the financial statements, and provide advice to the CEO on the preparation and review of the financial statements (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the CEO
- review the processes in place designed to ensure that financial information included in the annual report is consistent with signed annual financial statements
- provide any other advice to the CEO about the CEO's obligations under the *PGPA Act* and other relevant Acts

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- advise the CEO on the adequacy, framework and controls relating to the entity's internal budgeting and reporting.

19.6 Performance Reporting

19.6.1 The ARC's responsibilities in relation to performance reporting are to:

- satisfy itself that an appropriate performance reporting framework is in place for the selection of key performance indicators and performance measures to support the *PGPA Act*, government policy objectives and is linked to ACBPS objectives and outcomes
- assess and advise the CEO of the processes in place to support the preparation and review for the annual performance statement
- review performance reports, including the annual performance statements, and provide advice to the CEO (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the CEO, and
- advise the CEO about action that could be taken on significant matters of concern or significant opportunities for improvement that are mentioned in reports of internal and external audits.

19.7 Legislative and Policy Compliance

19.7.1 The ARC's responsibilities in relation to legislative and policy compliance are to:

- review the effectiveness of the system for monitoring compliance with those laws, regulations and associated government policies that the entity must comply with, as agreed with the CEO
- review, where relevant, compliance with International Conventions, particularly the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- determine whether management has appropriately considered legal and compliance risks as part of the risk management framework, and
- provide advice to the CEO regarding the issue of the annual Certificate of Compliance Report.

19.8 Internal Audit

19.8.1 The ARC's responsibilities in relation to internal audit are to:

- act as a forum for communication between the CEO, senior management and internal and external audit

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- review the proposed internal audit coverage, ensure the coverage is aligned with key enterprise risks, and recommend approval of the Annual Internal Audit Work Plan by the CEO
- advise the CEO on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Work Plan
- monitor internal audit activity to ensure it is independent of the external audit function and management functions
- coordinate the audit programmes conducted by internal and external audit
- advise the CEO on the professional standards to be used by internal audit in the course of carrying out audits in the ACBPS
- review all audit reports and provide advice to the CEO on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice
- monitor management's implementation of internal audit recommendations
- periodically review the internal audit charter to ensure appropriate authority, access and reporting arrangements are in place, and
- periodically review the performance of internal audit.

19.9 External Audit

19.9.1 The ARC's responsibilities in relation to external audit are to:

- act as a conduit for communication between the CEO, senior management and internal and external audit
- provide input and feedback on financial statement and performance audit coverage proposed by external audit, and provide feedback on the audit services provided
- review all external audit reports in respect of planned or completed audits and monitor management's response and implementation of audit recommendations, and
- provide advice to the CEO on action to be taken on significant issues raised in relevant external audit reports and better practice guides.

19.10 Governance Arrangements

19.10.1 The ARC's responsibility in relation to governance arrangements is to periodically review the adequacy of ACBPS's governance arrangements or elements of the arrangements as determined by the CEO and suggest improvements, where appropriate, to the CEO.

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19.11 Other Responsibilities

19.11.1 The ARC's other responsibilities include:

- **Portfolio Responsibilities** - where the ARC must satisfy itself that appropriate mechanisms are in place for the portfolio CEO (Secretary of the Department of Immigration and Border Protection) to be informed of all significant issues within the portfolio that may affect their portfolio responsibilities.
- **Parliamentary committee reports and external reviews** – where the ARC must satisfy itself that appropriate mechanisms are in place to review and implement, where appropriate, relevant parliamentary committee reports and external reviews of the entity, and recommendations arising from these reports and reviews.
- **Performance reporting framework** – where the ARC must satisfy itself that an appropriate performance reporting framework is in place that meets government policy objectives and requirements and is linked to ACBPS objectives and outcomes.

19.12 Sub-committees

19.12.1 The ARC may establish one or more sub-committees to assist the full ARC in meeting its responsibilities.

19.12.2 The responsibilities, membership and reporting arrangements for each sub-committee shall be documented and approved by the full ARC.

19.12.3 The ARC stipulates that:

- a member of the full ARC is appointed as Chair of the sub-committee; the membership of sub-committees could extend beyond members of the full ARC if additional expertise on particular matters is required
- minutes of all meetings of sub-committees are taken, distributed promptly to all members of the full ARC, and tabled for discussion at the next full ARC meeting, and
- important issues that may require consideration by the full ARC are brought to the attention of the Chair immediately following a sub-committee meeting so that the Chair is in a position to decide what action to take.

19.12.4 ARC sub-committees should not assume any management functions nor should management exert inappropriate influence over the work of sub-committees.

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20 Responsibilities of Members

20.1.1 Members of the ARC are expected to understand and observe the legal requirements of the *PGPA Act*. Members are also expected to:

- act in the best interests of the Commonwealth;
- apply good analytical skills, objectivity and good judgment;
- express opinions constructively and raise issues that relate to the ARC's responsibilities and pursue independent lines of enquiry; and
- contribute the time required to review the papers provided.

21 Reporting

21.1.1 The ARC will as often as necessary, and at least once a year, report to the CEO on its operation and activities during the year. The report should include:

- a summary of the work the ARC performed to discharge its responsibilities during the preceding year;
- a summary of progress in addressing the findings and recommendations made in internal and external audit and Parliamentary Committee reports;
- an overall assessment of risk, control and compliance frameworks, including details of any significant emerging risks; and
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.

21.1.2 The ARC may, at any time, report to the CEO any other matter it deems of sufficient importance to do so. In addition, at any time an individual ARC member may request a meeting with the CEO.

21.1.3 Where relevant to that committee, the ARC will, as necessary, refer items to other committees within ACBPS for its consideration.

22 Administrative Arrangements

22.1 Meetings

22.1.1 The ARC will meet at least four times per year. An additional meeting will also be held to review ACBPS's annual financial statements.

22.1.2 The Chair is required to call a meeting if requested to do so by the CEO, and decide if a meeting is required if requested by another member.

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22.2 Planning

- 22.2.1 The ARC will develop a forward meeting plan schedule that includes the dates, location, and proposed agenda items for each meeting for the forthcoming year, and that covers all the responsibilities outlined in this charter.

22.3 Attendance at meetings and quorums

- 22.3.1 A quorum will consist of at least half of all ARC members. Where there is more than one external member on the ARC, a quorum will include a minimum of one external member.
- 22.3.2 Unless otherwise agreed with the Chair, all ARC members are expected to attend each meeting in person, and may not send a substitute if they are unavailable. The ARC will meet with both the internal and external auditors at least once a year.

22.4 Secretariat

- 22.4.1 The CEO, in consultation with the ARC, will appoint secretariat support to the ARC. The Secretariat will ensure the Chair approves the agenda for each meeting; the agenda and supporting papers are circulated, at least one week before the meeting; and ensure the minutes of the meetings are prepared and maintained.
- 22.4.2 Draft minutes must be reviewed by the Chair and circulated within two weeks of the meeting to each member and ARC observers, as appropriate.

22.5 Conflicts of interest

- 22.5.1 Once each year, members of the ARC will provide written declarations to the Chair for provision to the CEO declaring any potential or actual conflicts of interests they may have in relation to their responsibilities. External members should consider past employment, consultancy arrangements and related party issues in making these declarations and the Chair should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.
- 22.5.2 At the beginning of each ARC meeting, members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the ARC's consideration of the relevant agenda item(s). Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

22.6 Induction and Clearance

- 22.6.1 New members will receive relevant information and briefings on their appointment to assist them to meet their ARC responsibilities.
- 22.6.2 Members will be required to undertake an ACBPS Organisational suitability assessment, and a national security clearance to the level of Negative Vetting Level One.

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22.7 Assessment arrangements

22.7.1 The Chair, in consultation with the CEO, will initiate a review of the performance of the ARC at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the CEO) with appropriate input sought from the CEO, members, senior management, the internal and external auditors, CFO, and any other relevant stakeholders, as determined by the CEO.

22.7.2 The Chair will provide advice to the CEO on an external member's performance where an extension of the member's tenure is being considered.

22.8 Review of charter

22.8.1 At least once a year the ARC will review its charter. This review will include consultation with the CEO.

22.8.2 Any substantive changes to the charter will be recommended by the ARC and formally approved by the CEO.

23 Related Instruction and Guidelines

23.1 Instructions and Guidelines

- AAI 2.0/1 IT Risk Assurance
- AAI 2.0/2 Risk Management
- AAI 2.0/3 Post Action Review
- AAI 2.0/4 Exercise Program Management
- AAI 2.0/5 Campaigns Program
- AAI 2.0/6 Business Continuity Management
- AAI 2.0/7 Control Testing
- AAI 2.0/7 Assurance Framework
- C_LDR 12/14 Complaint Handling
- C_LDR12/15 Mandatory reporting of serious misconduct, corrupt conduct and criminal activity involving Customs workers.
- C_LDR12/16 Handling of reports made under the *Public Interest Disclosure Act 2013*
- C_LDR12/17 Integrity Assessment Committee
- C_LDR12/21 Organisational Suitability Assessments.

24 Related Policies and References

24.1 External Guidance and Instruction

- Sections 15, 16, 22, 45, 85 of the *PGPA Act*
- Sections 10, 17 of the *PGPA Rule*
- Finance Minister's Rule
- Commonwealth Risk Management Policy 2014
- Commonwealth Fraud Control Policy
- AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines
- Australian Government Investigation Standards
- Work Health and Safety Act 2011

25 Consultation

Integrity and Professional Standards Branch and Legal Services Branch have been consulted in the development of this AAI.

As the requirements for AAI are drawn from a number of sources, including the *PGPA Act*, *PGPA Rules* and Finance Minister's Delegations, no other consultation is required.

Contacts

No.	Section	Contact
1	Risk Management	Director Risk and Assurance (02) 6275 5019
2	Fraud Control	Director Integrity and Professional Standards (02) 6275 6920
3	Audit	Director Internal Audit (02) 6275 5643

Endorsement

Endorsed on	30 June 2014	Signed
By	Brad Clark Chief Financial Officer	

Issued by Marion Grant, Acting Chief Executive Officer (CEO) of Customs under *Section 20A* of the *Public Governance Performance and Accountability Act 2013* on 30 June 2014.

Signed

Marion Grant

Acting CEO Australian Customs and Border Protection Service

30 June 2014

BCS CLASSIFICATION:

FILE NUMBER:

AAI 7 – Managing relevant money

About this Accountable Authority Instruction (AAI)

This AAI is issued under section 20A of the PGPA. It provides instruction to officials on the proper management of relevant money. This includes:

- receiving relevant money;
- banking;
- loss of relevant money;
- cash advances;
- investments and borrowings;
- special accounts; and
- user charging.

What is relevant money?

Section 8 of the PGPA Act defines relevant money as money that the Commonwealth or department holds as cash or in their bank accounts. Relevant money does not include other Consolidated Revenue Fund (CRF) money – for money of that type see the AAI - Arrangements related to other CRF money.

Relevant money includes Australian currency, foreign currency and cheques in any currency. Money is raised by, or on behalf of, the Commonwealth in a variety of ways, including by appropriations, taxes, borrowings, loan repayments, rebates, levies and fees. Money held on trust by Commonwealth entities (for the benefit of persons outside of the Commonwealth or a Commonwealth entity) and money found on Commonwealth entity premises is also relevant money.

The PGPA legislation imposes obligations in relation to relevant money held by all Commonwealth entities, irrespective of whether the money is provided through the Federal Budget, a special appropriation or raised by an entity (such as through user charging).

Key guidance

Title	Reference
Resource Management Guide No 400, Approval and commitment of relevant money	PGPA Act: s8; s23; s52 - s59; s68; s69;
Resource Management Guide No 300, Banking of relevant money by Commonwealth entities	PGPA Rule: s18;
Resource Management Guide No301, Investment by Commonwealth entities	s19; s20; s21; s22; s27

Instructions - All officials

- You must not deposit bankable money into any bank account other than an entity account unless the money is not required to be banked under section 20 of the PGPA Rule (Otherwise dealing with bankable money by officials).
- Bankable money must be deposited before the end of the next banking day, or in accordance with the instructions of the accountable authority of the entity (see section 19 of the PGPA Rule (Banking of bankable money received by officials)).
- You must not open, maintain or close an entity bank account, unless you have been delegated the power to do so by your accountable authority.
- You must not enter into an agreement with a bank for banking business services, unless you have been delegated the authority to do so under section 53 of the PGPA Act (entering into agreements with banks) by your accountable authority.

Instructions - Officials with a delegation to open and maintain bank accounts

- When opening and maintaining a bank account, you must comply with the directions in relation to the delegation from your accountable authority,

Loss of relevant money in the custody of an official or through misconduct

All officials must ensure the security of any relevant money they have custody of. Section 68 of the PGPA Act sets out matters relating to the loss of relevant money in the custody of an official (or Minister). Section 69 of the PGPA Act applies if the loss of relevant money occurs through misconduct by an official (or Minister).

A loss of relevant money may result in a debt owed to the Commonwealth. A person's liability to pay such a debt is not avoided if they stop working for the entity. For further information on the management of debt, see AAI - Managing Debt.

Key guidance

Title	Reference
The PGPA Act	PGPA Act: s68 to s70

Instructions - All officials

- You must not misuse or improperly dispose of relevant money.
- You are responsible for the security of any relevant money you receive, or have custody of, and must take reasonable steps to safeguard the money from loss.
- If a loss of relevant money occurs whilst the money is in your custody, you will be liable to pay the Commonwealth an amount equal to the loss, unless you took reasonable steps to prevent the loss.
- If you cause or contribute to a loss of public money by misconduct, or a deliberate or serious disregard for reasonable standards of care, you will be liable to pay the Commonwealth an amount that reflects your share of the responsibility for the loss.

Instructions – Officials with a delegation to enter into borrowing agreements for credit card or credit voucher services

- You may only enter into a borrowing agreement for the issue to, and use by, officials of the entity on behalf of the Commonwealth of a creditcard or credit voucher.
- When entering into a borrowing agreement; you must comply with the instructions outlined in the AAI -Commonwealth Credit Cards and Credit Vouchers.

Special accounts

Special accounts are an appropriation mechanism to draw money from the CRF for particular purposes. They are not bank accounts.

Special accounts can be established by a determination made by the Finance Minister under section 78 of the PGPA Act, or by another Act (see section 80 of the PGPA Act).

A determination made by the Finance Minister establishing a special account will describe the purposes of the special account. This includes the purposes for which payments may be made (with the balance of the special account being reduced or debited) and, where appropriate, amounts that may or must be credited to the special account (with the balance of the special account being increased or credited). The purposes of a special account established by another Act will be contained in that Act.

Key guidance

Title	Reference
The PGPA Act	PGPA Act: s78 to s80

Instructions – Officials involved with the use and management of special accounts

- You must ensure that only those amounts that have been identified for crediting to a special account are credited to it.
- You must ensure that amounts are only debited from a special account in accordance with the purposes for which the account was established.
- You must not use money from a special account to make a payment, unless you are authorised to do so
 - o Before making a payment, you must ensure that the balance of the special account is sufficient to cover the proposed payment (see AAI -Making Payments of Relevant Money).
- Moneys allocated to a special account must not be invested or earn interest, unless the authority to invest such moneys has been provided by the Finance Minister under section 58 of the PGPA Act.
- You should consult with Finance prior to establishing a special account.



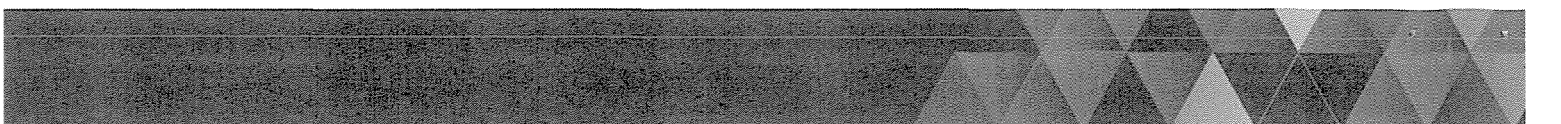
Australian Government
**Department of Immigration
and Border Protection**

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2014/15 - CASH ADVANCES

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About this Document

Purpose

1. The purpose of this document is to provide the key requirements relating to establishing, administering and closing cash advances.

Audience

2. This document applies to:
 - advance holders;
 - PGPAAs23 delegates;
 - Group Finance Partners;
 - Finance Managers;
 - Collectors of Public Money (CPMs) and Sub-Collectors of Public Money;
 - Front Office Managers;
 - Director Treasury and Banking Section; and
 - staff members.

Document Owner

3. This document is the responsibility of:
 - Financial Operations Branch, Finance Division.

Version History

4. This document was issued by the Chief Financial Officer on 17 October 2012.
5. The following is a record of the history of changes to this document.

Version	Date Issued	Description of Change
1.0	17/10/2012	New document
2.0	21/01/2015	Template update

Relevant Controls

6. The following controls are relevant to this document:

Reference	Title
Accountable Authority Instructions (Mis)	AAI 2 - <u>Approval and commitment of relevant money</u> AAI 6 - <u>Making payments of relevant money</u> AAI 7 - <u>Managing relevant money</u>
Forms	<u>Petty cash or advance claim (form F179)</u> <u>Handover/takeover statement (form F1346)</u> <u>Statutory Declaration</u>



Further Assistance

7. If you require further assistance regarding the information contained in this document please contact the Finance Service Desk on:

- Telephone: 02 6264 3333
- Email: finance.service.desk@immi.gov.au

About cash advances

Backgrou

8. A cash advance is relevant money that has been withdrawn from an official bank account and provided to a specific official to make cash payments.
9. Cash advances are only to be used for the specified purpose. Typically within the department cash advances are for change floats, or minor expenses that cannot be paid for using the Commonwealth Credit Card or direct invoice method.
10. Advance holders and temporary advance holders are nominal custodians of relevant money

Principal Requirements

11. To ensure the efficient and effective management of cash advances, the following principal requirements apply:

- A cash advance must only be established where there is an absolute necessity to do so.
- The amount of the cash advance must not be excessive.
- A cash advance must not be used for:
 - cashing cheques;
 - making staff reimbursements; or
 - expenses that can be paid for using a Commonwealth Credit Card, electronic funds transfer or cheque payment.
- A correctly completed cash claim must be used to claim a cash payment.
- The claimant must acknowledge receipt of the cash payment by signing the cash claim.
- Cash payments must be recorded in the general ledger prior to the end of the month.
- Private moneys must not be mixed with the cash advance.
- A review of the ongoing need for cash advances must be undertaken annually.

Roles and Responsibilities

12. The PGPAs20 delegate is responsible for:
 - considering and approving the establishment of a cash advance;
 - specifying the purpose and amount of the advance;
 - ensuring that documentation approving the establishment of the cash advance is maintained on a file; and
 - advising the Director Treasury & Banking Section of the details of the new cash advance.
13. The FMAAs27 delegate is responsible for:
 - issuing drawing rights to the advance holder to make payments; and
 - amending and revoking drawing rights in respect of cash advances.
14. The Director Treasury & Banking Section is responsible for:
 - ensuring a register of advances is maintained;
 - reviewing the register at least once a year to ensure:

- accuracy of the recorded details;
- there is an ongoing need for the cash advance; and
- advising staff within the Financial Accounting Section of the amount of cash on hand as at 30 June for disclosure in the annual financial statements.

15. An advance holder must:

- ensure they hold drawing rights before making payments;
 - only use the cash advance for the purpose for which it was provided;
 - ensure all expenditure has been approved by an appropriate PGPAAs23 delegate before making a cash payment;
 - ensure sufficient cash is on hand to make payments;
 - not process payment of their own reimbursements;
 - ensure the cash advance is balanced regularly (for example daily); and
 - ensure the adequate security and reasonable care of the cash advance.
- See:** FMD 2014/14 - Security, Surpluses and Losses of Relevant Money

16. The Group Finance Partners, Finance Managers, CPMs, Sub-collectors of Public Money and Front Office Managers are to ensure that:

- advance holders understand their responsibilities;
- the business area's internal practices are meeting efficient cash management practices; and
- cash advances are being adequately safeguarded.

See: Department Security Instruction

Managing cash advances

Purpose of advances

17. A cash advance can only be established for the following purposes:

- to provide change in connection with the receipt of relevant money;
- to pay destitute allowance to clients; and
- to pay for minor expenses.

Establishing advances

18. In approving the establishment of a cash advance, the PGPARs20 delegate must specify:

- the holder of the advance;
- the purpose of the advance (that is, change float, destitute allowance and/or minor expenses); and
- the amount of the advance.

Note: The amount should be sufficient to meet the normal day-to-day requirements without recourse to frequent reimbursement claims.

19. The PGPARs20 delegate must advise the Director Treasury & Banking Section the details of the new cash advance, within five (5) days of establishing the advance.

See: section on Advances register

20. The PGPAAs23(3) delegate must approve the spending proposal creating the advance, in addition to the PGPARs20 delegate agreeing to the establishment of the advance.

21. Cash advances must only be established from Departmental funds.

Drawing rights

22. A generic drawing right has been issued by the FMAAs27 delegate to all advance holders with advances of AUD\$5,000 or less.

23. If the level of an advance is higher than AUD\$5,000, the advance holder must apply to the FMAAs27 delegate for drawing rights to be issued to cover the level of their advance.

See: FMD 2014/7 - Drawing Rights

Advances register

24. The Director, Treasury & Banking Section must maintain the advances register and ensure it identifies the:

- date the advance was established;
- name of the current advance holder;
- name and location of the business area holding the advance;
- purpose of the advance; and
- amount of the advance.

25. The advances register must be updated whenever there is a change of advance holder.

See: Change of advance holder

26. The advances register must be reviewed at least once a year, with a view to minimising the number of advances held and lowering the overall cost of managing cash advances by ensuring there is an ongoing need for the advance.

Change of advance holder

27. When an advance holder is relieved of duty, either permanently or temporarily, a Handover/takeover statement F1346 discharging the staff member from that responsibility must be completed.

28. The advance holder is to hand over to the relieving staff member all relevant moneys and paid claims along with the *Handover/takeover statement* signed to that effect.

29. The relieving staff member is to sign the *Handover/takeover statement*:

- accepting control of the relevant money and documents as detailed in the statement; and
- agreeing to maintain the advance in accordance with the Financial Management Directives (FMDs).

30. The Handover/takeover statement F1346 must be sent by the relieving staff member to the Director Treasury & Banking Section to ensure the advances register is updated. The statement is to be kept on a TRIM file for future reference.

31. Where the advance is greater than AUD\$5,000, the relieving staff member must ensure they hold a drawing right before they make any payments from the advance.

See: section on Drawing rights

32. Where it is not possible for the advance holder to be present at the transfer, due to illness or some other reason, the statement is to be completed and signed by the staff member taking over and the official witnessing the handover.

Note 1: The official witnessing the handover should be the supervisor.

Note 2: To access the secured cash, it may be necessary for an official from Security or the Security Liaison Officer to open the secured container.

Adjusting level of the advance

33. An advance holder must not adjust the level of the advance without the authority of the PGPARs20 delegate.
34. An advance holder must not add revenue receipts to the cash advance.

Closing the advance

35. To close an advance, the advance holder must:

- firstly, obtain reimbursement for all payments made from the cash advance;
- secondly, repay the total amount of the advance to a Collector of Public Money or Sub-collector; and
- finally, advise in writing, the Director, Treasury & Banking Section of the closure of the advance.

Note: the total amount must be credited to Miscellaneous Administered Receipts

Note: a copy of the official receipt is to be attached to the advice.

36. Upon receiving advice of the closure of an advance, the Director Treasury & Banking Section must:
- update the advances register with the closure details; and
 - revoke the drawing rights if the advance was for an amount greater than AUD\$5,000.

Maintaining cash advances

making cash payments

37. Cash payments should only be made for minor expenses where the Commonwealth Credit Card, electronic funds transfer or cheque payments are not available.
38. The maximum amount an advance holder may pay out in any one instance or transaction is AUD\$2,000.
39. For all cash payments the advance holder must ensure:
- a correctly completed Cash claim is present for payment;
 - the expenditure has been approved by an appropriate PGPAAs23(3) delegate;
 - a tax invoice has been obtained for purchases of AUD\$82.50 (GST incl) and over
- Note:** unless the supplier is GST exempt;

- proof of expenditure has been obtained for purchases less than AUD\$82.50;
Note: unless the un-receipted expenditure has been endorsed by a PGPAAs23 delegate; al'.ld
- the person receiving the cash payment must sign the cash claim acknowledging receipt of the cash.

Temporary advances

40. A temporary advance is a cash payment made to a staff member prior to the actual expenditure being incurred.
Example: To cover minor expenses when escorting visiting dignitaries.
41. A generic drawing right has been issued by the FMAAs27 delegate to all temporary advance holders for AUD\$2,000 or less.
42. The advance holder is to keep a separate record of all temporary advances made to ensure they are acquitted.
43. The staff member with the temporary advance must return to the advance holder:
 - the unspent balance (if any) and proof of purchase/s; or
 - the full amount of temporary advance where no action has been taken.
44. The temporary advance must:
 - not be reimbursed; and
 - be acquitted within three (3) days of the conclusion of the specific event.
45. Any temporary advance not acquitted within the specified timeframe will be treated as a debt owing to the Commonwealth.

Un-receipted expenditure

46. Where the proof of expenditure has been lost, destroyed, or otherwise could not be obtained, the payment of the un-receipted expenditure must be endorsed by a PGPAAs23 delegate.
Note: Endorsements must be kept to a minimum.
47. A duly completed and signed statutory declaration to support the expenditure may be requested by the PGPAAs23 delegate.

Reimbursement of advances

48. The cash advance is to be reimbursed, at least, by the end of each month to ensure all expenditure is reconciled and recorded in the general ledger.
49. The advance holder is to submit the reimbursement claim to Accounts Payable with the paid out cash claims attached justifying the reimbursement.
50. Accounts Payable will draw a 'collect cheque' in the name of the service provider who is contracted to transport cash. The service provider delivers the cash to the advance holder in exchange for the cheque.

Definitions

51: The following definitions apply in this document:

Term	Definition
Accountable Authority	The accountable authority (AA) of a Commonwealth entity is the person who has responsibility for, and control over, the entity's operations. In DIBP, the AA is the Secretary,
Advance holder	A staff member who has control and custody of a cash advance and are therefore a nominal custodian of that advance
Cash advance	Relevant money that has been withdrawn from an official public account to make minor payments in cash or provide change
FMAAs27	An official who has been delegated the authority under section 27 of the FMA Act to issue drawing rights
PGPA Act	<i>Public Governance, Performance & Accountability Act 2013</i>
PGPAAs23	An official delegated under section 23 of the PGPA Act to Approve a proposed commitment and enter into, vary and administer an arrangement.
PGPARs20	An official who has been authorised by the AA to obtain a cash advance subject to section 20 of the PGPA Rule 2014
Proof of expenditure	A document evidencing the amount of the expenditure for example tax invoice, invoice, receipt, docket
Spending proposal	A proposal that could lead to entering into an arrangement

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