

FORMAT	AUDIENCE	CLASSIFICATION	CATEGORY
Policy, Plans and Procedure	IGTO officials	General	Corporate Governance



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

INSPECTOR-GENERAL OF TAXATION AND TAXATION OMBUDSMAN
POLICY, PLANS and PROCEDURES

ACCOUNTABLE AUTHORITY INSTRUCTIONS

Instructions endorsed and approved

May 2019

ENDORSEMENT AND APPROVAL

These Accountable Authority Instructions (AAIs) are issued under section 20A of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and give instruction to Inspector-General of Taxation and Taxation Ombudsman (IGTO) officials and Treasury officials (acting in their capacity as service providers to the IGTO) on PGPA legislation.

These AAIs are the primary source of information and advice for officials on the internal financial management and procurement practices of the IGTO. They have been promulgated to ensure the organisation complies with the financial legislation and associated policies affecting financial activities and sustainability. Non-compliance with the PGPA Act may be reportable and officials may incur sanctions under the *Public Service Act 1999*.

Financial delegations empower officials to execute their responsibility for specified financial tasks. Officials holding financial delegations are personally responsible and accountable for the decisions and actions taken when exercising their powers and are obliged to act in accordance with any issue directions. Officials must be aware of their financial limits and any other restrictions in respect of powers, functions or duties which are delegated or allocated to them, either via this instrument or the IGTO Financial Delegation Instrument.

The current AAIs (issued under section 20A of the PGPA Act in December 2016) are hereby revoked.

The delegation of powers, functions and roles specified in these AAIs take effect on the date as signed below.



Andrew McLoughlin
Acting Inspector-General of Taxation and Taxation Ombudsman
2 May 2019

Introduction

1. The purpose of this document is to establish an administrative framework for the delegation of the Inspector-General of Taxation and Taxation Ombudsman (IGTO) Accountable Authority's (AA) statutory powers under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
2. The other purpose of this document is to ensure officials (including all IGTO staff and relevant Treasury service provider staff) are aware of other legislation and regulation, as well as the IGTO's policies, plans and procedures (PPP) which they are required to comply with.
3. The PGPA Act¹ places a duty upon the AA to govern in a way that:
 - (a) promotes the proper use and management of public resources for which the AA is responsible;
 - (b) promotes the achievement of the purposes of the entity; and
 - (c) promotes the financial sustainability of the entity.
4. In making decisions for the above purposes, the AA must take into account the effect of those decisions on public resources generally.
5. The powers are provided directly by the PGPA Act² or indirectly by way of delegation by the Finance Minister.
6. Accountable Authority Instructions (AAIs) may be issued by accountable authorities to officials (including all staff members) to enable and effect the application of the key principles and requirements of the resource management framework in their agency's operations.

Compliance by officials with delegations and AAIs is mandatory.

Official is defined in section 13 of the PGPA Act to mean an individual who is in, or forms part of, the entity. This includes the AA, all persons employed by the IGTO (staff members) and any person who performs a financial task on behalf of the IGTO, including Treasury service provider staff.

7. A diagrammatic overview of how this document fits within the legal infrastructure for this framework is outlined in the appendix at Figure 1.

¹ Section 15 of the PGPA Act

² Section 15 of the PGPA Act or indirectly by way of the Finance Minister's delegation [*Public Governance, Performance and Accountability (Finance Minister to Accountable Authorities of Non-Corporate Commonwealth Entities) Delegation 2014*].

Part 1 – Resource Management Framework (PGPA Act) and the relationship with other legislation, regulation and IGTO Policies, Plans and Procedures

8. In the conduct of duties, officials are directed to the below key resource management framework documents.

- [Inspector-General and Taxation Ombudsman's Public Governance and Accountability Act Financial Delegation](#) – this document specifies the AA's financial delegations
- [Department of Finance Resource Management Guidance 'Accountable Authority Instructions'](#) – this document provides detailed explanation about each AAI together with links to source legislation, regulations, policy, guidelines and other guidance.

AAIs apply to all officials of an entity unless clearly specified otherwise.

9. Any breach of these instructions can be the basis of action under the *Public Service Act 1999* (such as termination of employment). Separately, a breach may have consequences directly under other relevant employment arrangements.
10. IGTO officials are also required to comply with a range of other legislation and regulation, as well as IGTO PPP that are themselves located in separate documents outside the PGPA framework – for example the IGTO's Fraud Control Plan.
9. The IGTO has a range of 'resource management' PPP that are embodied in both IGTO-specific and general IGTO documents. The AA has also issued non-PGPA related management instructions on general or specific PPP to staff members in addressing other legal or operational requirements. For example on employment related matters in relation to the *Public Service Act 1999*. While these do not form part of the AAIs, all officials must comply with them.
10. The IGTO has a general policy of adopting Treasury documents for matters where specific IGTO documents do not exist. This applies for both IGTO resource and non-resource management PPP.

All officials must refer to the [IGTO General Policy](#) for directions on other IGTO policy requirements. AAIs are not the only IGTO PPP requirements.

11. As noted throughout the Treasury's AAIs, a broad range of functions are completed by the Treasury via the IGTO/Treasury Memorandum of Understanding-Service Level Arrangement (SLA) and IGTO officials are to adhere to Treasury PPP as required. This includes the detailed operational guidelines linked to the Treasury's AAIs: see [Treasury AAI Operational Guidelines](#)

IGTO adoption of Treasury PPP documents may require interpretation or assimilation to the IGTO's specific micro office circumstance. All officials should refer such matters to the IGTO Executive³ for appropriate advice – for example, a reference to the Head of Human Resources may be to the IGTO Chief Finance Officer (IGTO CFO) or that of the Treasury.

³ IGTO Executive is the AA and the IGTO CFO

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AAI 1 - MANAGING RISK AND INTERNAL ACCOUNTABILITY

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

- managing risks;
- fraud risk management and control;
- audit, accounts and records;
- insurance; and
- accountability of officials.

AAI 1.1 - MANAGING RISK

Accountability and responsibility for IGTO's performance lies with the AA. This includes accountability for the IGTO's management of risk. While overall accountability for risk management is with the AA, it is the responsibility of all officials to undertake the management of risk.

Instructions – All officials

You must actively manage risks that are part of your day-to-day work by:

- complying with the IGTO's risk management framework;
- identifying key risks and responding to them; and
- reporting key risks to the responsible person.

Overall accountability for risk management is with the AA. Responsibility for the implementation of the IGTO's risk management framework has been allocated to the IGTO CFO, who has been appointed to sponsor and provide guidance to others on managing risk.

Instructions – IGTO CFO

You must ensure that a written risk management policy is developed and maintained, which:

- complies with the AS/NZS/ISO 31000:2009 Standard (and any update to this standard);
- is endorsed by the AA;
- defines the linkage between IGTO's approach to the management of risk and its strategic plans and objectives;
- contains an outline of key accountabilities and responsibilities for managing risk and implementing IGTO's risk management framework; and
- contains a business continuity policy, including framework, guidelines and plans that comply with BS ISO 22301:2012 Standard (and any update to this standard).

The policy should clearly define responsibility for managing risk, including:

- responsibility for the implementation of IGTO's risk management framework;
- how responsibility for the management of risk controls is determined, assigned and monitored;
- the role of those IGTO functions with specific responsibilities for supporting and reviewing the effectiveness of IGTO's risk management framework, e.g. audit and/or risk committees; and
- building risk capability to both implement IGTO's risk management framework and the application of risk management practices.

You must:

- ensure that the risk management framework is integrated with other business processes;
- determine and describe in the policy the attributes of the risk culture that IGTO seeks to develop;
- implement arrangements to ensure the effective communication and reporting of risk, both within IGTO and with relevant external stakeholders;
- assess and maintain sufficient capability and resourcing to both implement IGTO's risk management framework and manage its risks;
- review and update IGTO's risk management framework, the application of its risk management practices, and its risks on a regular basis; and
- establish processes for risk management reviews, which must be effectively documented and endorsed at the appropriate level within IGTO.

AAI 1.2 - FRAUD RISK MANAGEMENT AND CONTROL

The AA must take all reasonable measures to prevent, detect, and deal with fraud relating to IGTO.

The Minister for Justice has issued guidance about the control of fraud, fraud risk assessments, fraud control plans and reporting of fraud.

Instructions – All officials

You must act in accordance with the IGTO's fraud control policies, plans and procedures.

Instructions — IGTO CFO

You must ensure that:

- IGTO has a current fraud control plan and policies that are consistent with the *Fraud Control Guidance* issued by the Minister for Justice;
- six monthly reports are provided to the IGTO Audit & Risk Committee;
- a fraud risk assessment is undertaken at least every two years; and
- the fraud control plan is updated following the above assessment and where there are significant changes to the IGTO's activities, policies or systems.

AAI 1.3 - AUDIT

The AA is to ensure that IGTO has an audit committee, with the functions and membership complying with the PGPA Rule. The AA has delegated responsibility of chairing the committee to an independent committee member.

Instructions – All officials

You must cooperate with:

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

Instructions — IGTO CFO

You must:

- consider recommendations made by both internal and external auditors in the IGTO's planning and work processes; and
- ensure that the Audit & Risk Committee Charter is maintained.

AAI 1.4 - ACCOUNTS AND RECORDS

The AA must ensure that IGTO's accounts and records are kept in a manner that properly record and explain IGTO's transactions and financial position. The form of these records must conform with requirements in the PGPA Rule and facilitates the preparation of the annual financial statements and audit reports.

Responsibility for IGTO's accounts and records has been allocated to the IGTO CFO.

Instructions – All officials

You must maintain appropriate accounts and records to meet the requirements of the PGPA Act, PGPA Rule and Financial Reporting Rule.

You must comply with any lawful request by the Finance Minister, the responsible Minister and the Commonwealth Auditor-General for access to IGTO's accounts and records.

Instructions — IGTO CFO

You must ensure that:

- all financial accounts and records are kept as required;
- charts of accounts are established and maintained to accurately reflect transactions in the financial records for management decision-making purposes and to ensure compliance with external reporting requirements;
- IGTO's accounting policies and procedures and business processes are maintained;
- annual financial statements of the IGTO are prepared in accordance with reporting requirements and are included in IGTO's annual report to the Minister; and
- Budget estimates and annual financial statements are approved.

Instructions – All officials (including relevant Treasury staff) involved with preparing accounting records and financial statements

You must ensure that:

- the preparation of accounting records and financial statements is done in accordance with reporting requirements;
- all accounts and records are retained and destroyed in accordance with the General Disposal Schedules issued under the *Australian Archives Act 1983*; and
- that all material published on the IGTO website meets minimum government online publishing standards and be approved by either the AA or IGTO CFO.

AAI 1.5 - INSURANCE

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

- property loss, destruction or damage;
- legal liability claims;
- motor vehicle loss, destruction or damage and travel related claims;
- workers' compensation claims; and
- various other claims.

Instructions – All officials

You must:

- manage public resources in a way that minimises the risk of an insurance claim;
- disclose any insurance risks and report any potential insurance claim or incident to the IGTO CFO immediately;
- not admit liability for, or settle any claim or incur any costs in connection with a claim, without the IGTO CFO first obtaining written consent of the insurer⁴; and
- for relevant procurement, consult with the Treasury Central Procurement Team – see AAI 3 Procurement.

⁴ IGTO's Comcover Insurance Policy

Instructions — IGTO CFO

You must ensure that:

- **the IGTO's risk profile and insurance is assessed; and**
- **the IGTO's insurance requirements and obligations are met, including the payment of premiums.**

The timeliness of the above notification is crucial to ensure that the IGTO CFO is able to notify the insurer. Delay in notification could potentially hinder a claim.

AAI 1.6 – ACCOUNTABILITY OF OFFICIALS

There are five general duties, which are:

- a duty of care and diligence;
- a duty to act in good faith and for proper purpose;
- a duty not to improperly use your position;
- a duty not to improperly use information; and
- a duty to disclose interests.

These general duties provide a uniform set of expected behaviours that covers all officials in meeting high standards of governance, performance and accountability. These duties are in addition to any other legal duties that an official may have under their employment framework or through an employment contract.

Instructions – All officials

You must conduct yourself in a manner that is consistent with the following duties:

- **a duty of care and diligence;**
- **a duty to act in good faith and for proper purpose;**
- **a duty not to improperly use your position;**
- **a duty not to improperly use information; and**
- **a duty to disclose interests.**

AAI 2 - APPROVAL AND COMMITMENT OF RELEVANT MONEY

This AAI provides instruction to officials on approving and committing relevant money and entering into, varying or administering arrangements. It includes instructions in relation to:

- approving proposed commitments of relevant money and entering into arrangements;
- guarantees, indemnities, warranties and other contingent liabilities;
- official travel;
- official hospitality; and
- sponsorships.

AAs are required to promote the proper use and management of the public resources for which they are responsible (see section 15 of the PGPA Act). Consistent with this duty, an AA can establish controls to ensure that officials consider the proper use (i.e. efficient, effective, economical and ethical use) of public resources when making decisions that involve:

- commitments of relevant money (see section 23(3) of the PGPA Act); and
- entering into arrangements relating to relevant money or other Consolidated Revenue Fund (CRF) money (see section 23(1) of the PGPA Act).

'Relevant money' is money that the Commonwealth or a corporate Commonwealth entity holds as cash or in a bank account (see section 8 of the PGPA Act). 'Other CRF money' is money that forms part of the CRF but is not relevant money (see section 105(2) of the PGPA Act). Other CRF money can include money of a kind prescribed by the PGPA Rule.

Relevant money becomes 'committed' when an entity undertakes an activity that results in an obligation to pay relevant money. Examples include entering into an arrangement under which relevant money will become payable, including obligations that are contingent upon certain events occurring, such as indemnities, guarantees and warranties.

An 'arrangement' can be a contract, agreement, or deed of understanding (see section 23 of the PGPA Act). This is a broad definition and can include a range of agreements such as Memorandum of Understandings (MOUs), standing offers and grant agreements. It also includes any arrangement that involves a contingent liability (i.e. a commitment that may give rise to a cost as a result of a future event), such as an indemnity or guarantee.

AAI 2.1 - APPROVING AND ENTERING INTO COMMITMENTS OF RELEVANT MONEY

Approving Commitments of Relevant Money

The authority for the AA to approve a commitment of relevant money comes from section 23(3) of the PGPA Act. The AA has delegated this power to specific officials, including specific Treasury and IGTO officials who are identified in the IGTO Financial Delegation Instrument.⁵

Section 18 of the PGPA Rule (approving commitments of relevant money) requires all Commonwealth entity officials who approve the commitment of relevant money to do so, as well as record that approval, consistently with any requirements specified in the relevant AAI or

⁵ Inspector-General of Taxation and Taxation Ombudsman's Public Governance, Performance and Accountability Act Financial Delegation made under Section 110 of the Public Governance, Performance and Accountability Act 2013 (Delegation)

delegation instrument. The official must make a record of the approval as soon as practicable after giving it.

Expenditure for purposes other than the ordinary services and functions of government should be authorised by specific legislation [for example, section 32B of the Financial Framework (Supplementary Powers) Act 1997].

Instructions – All officials

You must not approve a proposed commitment of relevant money, unless:

- you have authority to enter into the arrangement (i.e. you have been provided with a section 23(3) delegation from the AA);
- you have acted in accordance with the Commonwealth Procurement Rules (CPRs) or Commonwealth Grants Rules and Guidelines (CGRGs), where relevant; and
- you have complied with the requirements of section 18 of the PGPA Rule.

Additionally, you should not approve a proposed commitment of relevant money, unless:

- you have acted for proper purpose (i.e., are satisfied that the proposal constitutes an efficient, effective, economical and ethical use of resources);
- your action is not inconsistent with the policies of the Australian Government; and
- funds are available to meet the proposed commitment.

Approved commitments of relevant money must be consistent with any written requirements specified in these instructions or the terms of the AA's delegation instrument.

Approval for proposed commitments of relevant money must be properly recorded. If you provide verbal approval for a commitment of relevant money, you must record in writing the approval as soon as practicable after giving it (section 18 of the PGPA Rule).

Proposed commitments of public money with expenditure that includes a contingent liability require prior consideration by the AA and the IGTO CFO (the approval of contingent liabilities is addressed in AAI 2.2).

Enter into, vary or administer an Arrangement Committing Relevant Money

The authority for the AA to enter into, vary or administer an arrangement for the commitment of relevant money comes from section 23(1) of the PGPA Act. The AA has delegated this power to specific officials, including specific Treasury and IGTO officials who are identified in the IGTO Financial Delegation Instrument.⁶

Administering an arrangement includes making payments pursuant to that arrangement. A person who undertakes decision-making functions in relation to an arrangement, would be administering the arrangement. For example, a contract manager might make decisions that a milestone has been reached by the contractor and that payment is to be made to the contractor for reaching the milestone.

A person performing processing tasks in relation to an arrangement, without making any decisions about the arrangement, is not administering the arrangement for the purposes of section 23(1)(b). The provision of goods and services received constitutes the exercise of a section 23(1)(b) power.

⁶ Inspector-General of Taxation and Taxation Ombudsman's Public Governance, Performance and Accountability Act Financial Delegation made under Section 110 of the Public Governance, Performance and Accountability Act 2013 (Delegation)

Instructions – Officials authorised to enter into an arrangement

You must not enter into an arrangement for the commitment of relevant money unless:

- the arrangement has been approved by a delegate able to approve a commitment of relevant money (under section 23(3) of the PGPA Act).

If the arrangement involves procurement, you must act in accordance with the CPRs (see AAI 3 Procurement).

You must not vary an arrangement unless it is within the scope of your delegation or authorisation.

Instructions – Officials authorised to administer the AA's internal budget (IGTO Budget Officers):

You must review annually the agency's commitments of relevant monies to ensure that sufficient funds for estimated purchasing throughout the requisite period has been allocated (normally on a financial year basis) and ensure this review is signed-off by the IGTO CFO as delegate.

AAI 2.2 - GUARANTEES, INDEMNITIES, AND WARRANTIES, ON BEHALF OF THE COMMONWEALTH

The Finance Minister has delegated to the AA the power to enter into an indemnity, guarantee or warranty on behalf of the Commonwealth. The delegation is subject to terms and conditions. The AA has sub-delegated this power to the IGTO CFO.

Instructions – All officials

You must not enter into an arrangement that includes the giving of an indemnity, guarantee or warranty, unless you have been delegated the power to grant an indemnity, guarantee or warranty on behalf of the Commonwealth.

Instructions – IGTO CFO

When entering an arrangement that involves an indemnity, guarantee or warranty, you must comply with the directions in the delegation.

If the arrangement involves a loan guarantee, you must obtain authorisation from the Finance Minister for the loan guarantee under PGPA Act section 60.

You must not enter into an arrangement that involves an indemnity, guarantee or warranty with another non-corporate Commonwealth entity.

AAI 2.3 - OFFICIAL HOSPITALITY

Official hospitality generally involves the use of public resources to provide hospitality to persons other than entity officials to facilitate the achievement of one or more IGTO objectives.

Instructions – All officials

You must not approve an arrangement to provide official hospitality, unless you have been delegated the power to approve such an arrangement.

Any decision to spend relevant money on official hospitality must be publicly defensible.

You must not enter into an arrangement to provide official hospitality unless you have been delegated the power to enter into such an arrangement.

You must act in accordance with the CPRs when procuring goods or services to provide official hospitality.

AAI 2.4 - OFFICIAL TRAVEL

Official travel is any travel where a Commonwealth entity is responsible for any of the direct or indirect costs associated with that travel. The AA has empowered specific IGTO officials to approve official travel proposals (domestic and international)⁷.

Instructions – All officials

You must not approve an arrangement for official travel unless you have been delegated the power to approve an arrangement of this type.

Official travel should only be undertaken where there is a demonstrated business need and where other communication tools, such as teleconferencing and video-conferencing, are an ineffective option.

The need for official international travel must be approved by the AA or the IGTO CFO.

You must not enter into an arrangement for official travel unless:

- **you have authority to enter into the arrangement; and**
- **the arrangement has been approved under section 23(3) of the PGPA Act.**

Where the Government has established coordinated procurements for a particular travel activity, IGTO must use the arrangement established for that activity, unless an exemption has been provided or reimbursement is to be provided for airfares, accommodation and/or car rental or a travel allowance is to be provided for accommodation arrangements.

⁷ See the IGTO Delegation Instrument (*Inspector-General of Taxation and Taxation Ombudsman's Public Governance, Performance and Accountability Act Financial Delegation made under Section 110 of the Public Governance, Performance and Accountability Act 2013*).

You must:

- use Treasury's Travel Service Team (TST) who in turn engages the contracted travel management company (TMC) to book domestic and ex-Australia international airfares under the Deed of Standing Offer for the Provision of Whole-of-Australian-Government Travel Management Services;
- use the contracted accommodation program management services provider for accommodation arrangements under the Deed for the Provision of Accommodation Program Management Services to the Australian Government;
- use the contracted car rental service providers for car rental arrangements under the Deed for the Provision of Car Rental Services to the Australian Government; and
- use the contracted travel card and related services provider for card payment services under the Deed for the Provision of Travel Card and Related Services to the Australian Government.

Officials must comply with the CPRs, as well as the Whole-of-Australian-Government (WoAG) travel policies.

Once an official receives a travel allowance, it becomes private monies and the official is solely responsible for its safekeeping. No compensation will be paid to the official for any money lost.

Travel allowance is not payable during any period of recreation leave, nor during any weekend or other holiday, which may be associated with the leave taken. Officials are not covered by Comcare or Comcover during this period and IGTO is not liable for any additional expenses.

You must:

- repay all travel allowance that has been received for official travel that has been cancelled and make that repayment no later than 14 days after cancelling the trip; and
- obtain prior approval from the IGTO CFO to use a private vehicle for official travel and provide evidence of a current drivers licence, current registration and adequate insurance before approval will be considered.

AAI 3 - PROCUREMENT

This AAI, together with AAI 2.1 – *Approving Commitments of Relevant Money and Entering into Arrangements*, provides instruction to IGTO officials on undertaking a procurement and entering into a procurement contract.

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

Instructions – All officials

When undertaking a procurement, you must:

- first seek approval from the IGTO CFO;
- comply with the CPRs;
- contact Treasury's Central Procurement Team for advice pursuant to the requirements listed in Treasury's operational guidance (available on the Treasury intranet);
- comply with the requirements of the PGPA Act and Rule;
- treat all potential suppliers to government equitably;
- ensure sufficient documentation of all stages of the procurement process is maintained (records should include the basis for decisions).
- act ethically throughout a procurement; and
- not seek to obtain benefit from supplier practices that may be dishonest, unethical or unsafe.

All procurement contracts (including standing offer arrangements and amendments to these contracts) costing \$10,000 or more must be reported on AusTender within 42 days of entering the contract. Standing offers must be reported on AusTender within 42 days of entering into or varying the standing offer and relevant details kept current.

By 1 July each year, an Annual Procurement Plan (APP) must be published on AusTender containing a short strategic procurement outlook for IGTO supported by details of any planned procurement. The subject matter of any planned procurement should be included together with the estimated date of the publication of the approach to the market.

Procurement of new office equipment and appliances must meet minimum standards as specified in the Government's energy management policy.⁸

⁸ Energy Efficiency in Government Operations (EEGO) Policy.

AAI 4 - GRANTS

This AAI, together with AAI 2.1 – *Approving Commitments of Relevant Money and Entering into Arrangements*, provides instruction to officials on the administration of grants and entering into a grant agreement.

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 Consolidated Revenue Fund (CRF) money is to be paid to a recipient other than the Commonwealth;
- which is intended to assist the recipient achieve its goals;
- 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.

Instructions – All officials

Officials involved in grants administration must:

- **comply with the CGRGs; and**
- **comply with the requirements of the PGPA Act and Rule.**

You must not approve a grant arrangement unless you have been delegated the power to approve an arrangement of this type.

AAI 5 - COMMONWEALTH CREDIT CARDS AND CREDIT VOUCHERS

This AAI provides instruction to officials about the use of Commonwealth credit cards (CCCs) and credit vouchers.

A CCC is a credit card issued to the IGTO to enable it to obtain cash, goods or services on credit (i.e. with payment deferred). A credit voucher, in a sense, is a paper based credit card that generally comes with an attached spending limit (e.g. a Cabcharge voucher).

The overall management of the CCC facility has been outsourced under the SLA to Treasury's Financial Administration and Support Team (FAST).

Instructions – All officials

In addition to the AA, only IGTO Senior Executive officers and Executive Level 2 officers may be issued with a Commonwealth corporate credit card (CCC).

CCCs must only be used to obtain goods or services for the IGTO. You cannot use a CCC or card number for solely private expenditure.

You must ensure that any CCCs and credit vouchers cards issued to you are stored safely and securely.

AAI 6 - MAKING PAYMENTS OF RELEVANT MONEY

This AAI provides instruction to officials on making payments of relevant money, the payment of accounts, discretionary compensation payments and taxation obligations.

AAI 6.1 - MAKING PAYMENTS

The authority to administer an arrangement, including making a payment in accordance with an arrangement, comes from section 23(1)(b) of the PGPA Act. The AA has delegated this power to specific officials, including specific Treasury and IGTO officials who are identified in the IGTO Financial Delegation Instrument.⁹

General requirements

Instructions – All officials

You must not approve a payment of relevant money unless:

- the arrangement has been approved by a delegate able to approve a commitment of relevant money (under section 23(3) of the PGPA Act);
- you have been authorised to approve a payment (under section 23(1) of the PGPA Act);
- the goods or services have been provided and meet requirements;
- the supplier's invoice:
 - provides the details needed for accounting and taxation purposes;
 - reflects the terms of the arrangement which was entered into; and
 - has credited any previous payment was made to them, if such payment was made;
- the payment is appropriate and in accordance with any directions; and
- you have obtained written confirmation from an officer who is authorised to administer the AA's internal budget (IGTO Budget Officer) that the above instructions have been met and that they have sighted the relevant supporting records.

Once approval to make payment has been provided, the relevant cost centre manager scans and refers signed documentation through to Treasury's FAST for processing to effect payment.

Additional reconciliation steps are to be completed for IGTO's CCC and Cabcharge cards – see AAI 5.

Payment of amount owed to person at time of death (payment pending probate)

A payment pending probate relates to an amount which the Commonwealth owes to a person at the time of their death.

⁹ Inspector-General of Taxation and Taxation Ombudsman's Public Governance, Performance and Accountability Act Financial Delegation made under Section 110 of the Public Governance, Performance and Accountability Act 2013 (Delegation)

The Finance Minister has delegated to the AA the power to authorise a payment to the person who the delegate considers should receive the payment of an amount which, at the time of the person's death, the Commonwealth owed to the person. The AA has sub-delegated this power to the IGTO CFO.

Instructions – All officials

You must not authorise a payment pending probate, unless you have been delegated the power to do so.

Instructions — IGTO Budget Officer

If a payment pending probate has been authorised by the AA or a delegate, before organising with the Treasury to make the payment you must confirm with the IGTO CFO that there is an available appropriation for the payment and that you have the authority to allow the payment.

AAI 6.2 - DISCRETIONARY COMPENSATION MECHANISMS

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.

The Scheme for Compensation for Detriment caused by Defective Administration (CDDA Scheme)

The CDDA Scheme allows the IGTO to compensate individuals or other bodies who have experienced detriment (i.e. quantifiable financial loss) as a result of their defective administration, and who have no other avenues of redress.

Instructions – All officials

You must refer claims for compensation arising from defective administration to the IGTO CFO.

Act of grace payments

Act of grace payments may be authorised in special circumstances, where IGTO 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.

Instructions – All officials

You must not approve an act of grace payment.

You must ensure that all requests for act of grace payments are referred to the IGTO CFO.

AAI 6.3 - TAXATION OBLIGATIONS

Instructions – All officials

You must maintain appropriate records and provide information as requested to enable the IGTO to meet its taxation obligations.

Before seeking approval for a proposed commitment of relevant money, you must:

- **consider the potential Fringe Benefits Tax (FBT) 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 (GST), where applicable.**

You must ensure that a valid tax invoice is obtained for each purchase to enable the IGTO to claim input tax credits for the purposes of GST, where applicable.

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

Business Activity Statement (BAS) –

Under the SLA, Treasury's FAST is charged with the preparation of IGTO's monthly BAS. The draft is forwarded by Treasury's FAST to IGTO's Budget Officer for review and then approval and sign-off by the IGTO CFO.

The IGTO Budget Officer shall refer approved BASs to FAST who are to complete timely lodgement and payment to the Australian Taxation Office (ATO).

Fringe Benefits Tax (FBT) –

Under the SLA, Treasury's FAST is responsible for collation of data and the preparation of IGTO's annual FBT return.

The IGTO's Budget Officer reviews the prepared return and then provides it to the IGTO CFO for authorisation. The Budget Officer signs the return, lodges it with the ATO by the due date, and then provides a copy to Treasury's FAST.

AAI 6.4 – DRAWING RIGHTS

Drawing rights allow agencies to set conditions and limits over who can make a payment of public money or for a designated Special Account appropriation, determine who can draw upon an appropriation.

Section 27 of the *Financial Framework (Supplementary Powers) Act 1997* allows the Finance Minister to issue, revoke and amend drawing rights. This power has been delegated with directions to the AA, who has sub-delegated it to specific IGTO and Treasury¹⁰ officials. However the requirements for drawing rights, to be issued to an official to make the payment of relevant money still exists until 30 June 2015, and can be issued under the power previously delegated from the Finance Minister.

Instructions – All staff

You must not:

- make a payment of relevant money;
- request the debiting of a designated Special Account appropriation; or
- debit a designated Special Account appropriation;

unless authorised to do so by a valid drawing right.

Instructions – IGTO and Treasury staff issued with drawing rights

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

Before making a payment of relevant money, and exercising a drawing right, you must ensure that:

- the payment is consistent with the purposes of the appropriation under which it is proposed to be made; and
- there is sufficient available appropriation to cover the proposed payment.

If you are issued with a drawing right to allow the payment of an amount of public money which is required by law, and there is an available appropriation for that payment, you must exercise the drawing right in full.

Additional Instructions:

The Treasury through its Chief Finance Officer is responsible for ensuring the development and maintenance of an efficient and effective system to monitor and record payments from official advances and official bank accounts and ensure that the payments are not inconsistent with the limits and conditions specified by the AA.

¹⁰ Treasury is the IGTO's service provider pursuant to an inter-agency memorandum of understanding and service level arrangement.

Instructions – IGTO and Treasury officials with a delegation to issue, revoke or amend drawing rights

When issuing, revoking or amending drawing rights, you must comply with the directions in the delegation from the Finance Minister or any directions in the delegation from the AA.

You may only issue or amend drawing rights in respect of appropriations for which the AA is responsible.

You may revoke any drawing right issued by you, or your delegate.

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

AAI 7 - MANAGING RELEVANT MONEY

This AAI 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
- fees and charges.

AAI 7.1 - RECEIVING RELEVANT MONEY

Instructions – All officials

If you receive relevant money you must ensure the safe custody of the money.

If it is bankable money you must refer this to the IGTO CFO to arrange deposit of the money in a bank:

- **before the end of the next banking day; or**
- **before the end of a period determined by the IGTO CFO.**

You must ensure that relevant money is only ever deposited into a IGTO official bank account.

If you receive relevant money that is not bankable money then you must deal with it in accordance with requirements determined by the IGTO CFO.

AAI 7.2 – BANKING

The Finance Minister has delegated to the AA the power to enter into transactional banking agreements, and to open and maintain bank accounts, in Australia. This power has been sub-delegated to the Treasury CFO.¹¹

Instructions – All officials

You must not maintain an IGTO bank account, unless you have been delegated the power to do so by the AA.

You must not enter into an agreement with a bank for banking business services, unless you have been delegated the power to do so by the AA.

¹¹ *Inspector-General of Taxation and Taxation Ombudsman's Public Governance, Performance and Accountability Act Financial Delegation made under Section 110 of the Public Governance, Performance and Accountability Act 2013 (Delegation)*

Instructions – Treasury CFO

Pursuant to the SLA, you must administer and maintain IGTO's bank accounts consistent with the terms of the AA's delegation instrument

AAI 7.3 - 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.

A loss of relevant money may result in a debt owed to the Commonwealth.

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.

AAI 7.4 - CASH ADVANCES (PETTY CASH FLOAT)

A cash advance (petty cash float) is relevant money that has been withdrawn from an IGTO bank account and provided to a specific official to make payments in cash.

Instructions – All officials

You must not make a payment from a cash advance, unless you have been delegated the power to do so.

You must not make a payment for any purpose other than that for which the cash advance was established.

AAI 7.5 – INVESTMENTS AND BORROWINGS

Investments

Relevant money managed by non-corporate Commonwealth entities cannot generally be invested.

Instructions – All officials

You must not invest relevant money on behalf of the Commonwealth.

Borrowing

The Finance Minister has delegated to the AA the power to enter into borrowing agreements for Commonwealth credit card or credit voucher services only. The delegation is subject to terms and conditions.

Instructions – All officials

You must not enter into a borrowing agreement on behalf of the Commonwealth.

AAI 7.6 - SPECIAL ACCOUNTS

Special accounts are an appropriation mechanism to draw money from the CRF for particular purposes.

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

Instructions – All officials

You must ensure that amounts are only debited from a special account in accordance with the purposes for which the account was established.

AAI 7.7 - USER CHARGING

User charging involves the IGTO charging individuals, non-government organisations and other government entities in respect of regulatory activities or for the provision of goods and services.

Instructions – All officials

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, you must apply IGTO's internal charging policies.

AAI 8 - ARRANGEMENTS RELATING TO OTHER CRF MONEY WITH PERSONS OUTSIDE OF THE COMMONWEALTH

This AAI provides instruction to officials about arrangements where a person outside of the Commonwealth handles other CRF money.

Any person who is not an official or a Minister (i.e. any person outside of the Commonwealth or a Commonwealth entity) who acts for or on behalf of the Commonwealth in relation to money (i.e. as an agent of the Commonwealth) will handle other CRF money.

The AA must ensure that any arrangement IGTO enters into relating to the receipt, custody or expenditure of other CRF money complies with the requirements specified in section 29(2) of the PGPA Rule.

The power for the AA to enter into, vary or administer an arrangement generally comes from legislation. The power can come from section 23 of the PGPA Act, section 32B of the *Financial Framework (Supplementary Powers) Act 1997*, or other specific legislation.

The power to enter into, vary or administer arrangements may be delegated by the AA to officials in the entity to enable them to enter into, vary or administer arrangements. Officials should not enter into, vary or administer arrangements, including those related to other CRF money, unless they have the power to do so.

Instructions – All officials

You must not enter into an arrangement for the use or management of other CRF money by a person outside the Commonwealth, unless:

- **you have the authority to enter into the arrangement;**
- **the terms of the arrangement are, at a minimum, compliant with the requirements of section 29 of the PGPA Rule; 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.**

You should ensure the requirements in section 18 of the PGPA Rule have been met where the arrangement will involve the commitment of relevant money.

You should not make an arrangement unless you are satisfied that the risks that might arise from the way in which other CRF money is to be handled under the arrangement will be managed in the best interests of the Commonwealth.

AAI 9 - MANAGING DEBT

This AAI provides guidance to officials on the management of debts and amounts owing to the Commonwealth.

AAI 9.1 - RECOVERY OF DEBTS

Instructions – All officials

Officials responsible for managing debt must ensure debts are paid within 30 days, or an alternative arrangement entered into with the debtor, with the approval of the relevant delegate.

You must pursue recovery of each debt for which the department is responsible, except debts which are:

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

AAI 9.2 - NON-RECOVERY (WRITE OFF) OF DEBTS

The AA must pursue recovery of each debt unless:

- it would not be economical to pursue the recovery of the debt;
- the debt is not legally recoverable; or
- the debt has been written off as authorised by an Act.

The AA has delegated this function to the IGTO CFO.

Instructions – All officials

You must ensure that a decision not to pursue the recovery of a debt is approved by the AA or a delegate.

Instruction – IGTO CFO

You must record all approvals for non-recovery of debts and report these to the AA on a monthly basis.

AAI 9.3 - WAIVER OF AMOUNTS OWING TO THE COMMONWEALTH

A waiver is a special concession granted to an individual or other body that extinguishes a debt or other amount owing to the Commonwealth.

Instructions – All officials

You must not approve the waiver of an amount owing under the PGPA Act.

You must ensure that all requests for waiver of a debt are referred to the IGTO CFO.

AAI 9.4 - PAYMENT BY INSTALMENTS OR DEFERRAL OF THE TIME FOR PAYMENT

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.

The Finance Minister has delegated to the AA the power to allow payment by instalments, or defer the time for payment of an amount owing to the Commonwealth. The delegation is subject to terms and conditions. The AA has sub-delegated this power to the IGTO CFO.

Instructions – All officials

You must refer to the AA or a delegate 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.**

Instructions – IGTO CFO

You must ensure that when allowing payment by instalments or deferring the time for payment of an amount owing to the Commonwealth, the directions in the delegation from the Finance Minister or any directions in the sub-delegation from the AA are complied with.

AAI 10 - MANAGING RELEVANT PROPERTY

This AAI provides instruction to officials on the proper use and management of relevant property, including acquisition, disposal, custody, use and loss.

AAI 10.1 - ACQUIRING RELEVANT PROPERTY

The IGTO acquires or comes to hold relevant property in a number of ways, such as procuring the property (by lease or purchase), being given the property as a gift or donation, finding the property on IGTO premises or through compulsory acquisition of the property.

Procuring Relevant Property

Instructions – All officials

When procuring relevant property, you must act in accordance with AAI 2.1 when approving proposed commitments of relevant money and entering into commitments.

Finding Property on IGTO Premises

Instructions – All officials

When lost property (excluding dangerous or noxious items) is found on departmental premises, officials must notify the IGTO CFO when the property is found and make every reasonable effort to return the property to the owner, if the owner can be identified.

You are responsible for the security of any property that you find on IGTO premises or in other containers and vehicles that are under the control of the IGTO.

You must take reasonable steps to safeguard any found property from loss.

Receiving Gifts and Benefits

Officials, in the course of their work, may be offered gifts. Gifts provided to officials in the course of their work immediately become relevant property when received.

Instructions - All officials

You must not ask for, or encourage, the giving of gifts to yourself or other officials. Should you wish to accept a gift, you must comply with departmental policy on gifting.

Gifts or benefits should only be accepted if there is a reasonable expectation that it will contribute to the achievement of the IGTO's objectives.

Gifts or benefits should not be accepted where:

- it is judged (by either value or frequency) to be on an excessive scale; or
- it is likely to result in the perception that the IGTO is favouring a particular organisation or individual.

Any official uncertain as to whether to accept an offer of a gift or benefit should consult the IGTO CFO.

AAI 10.2 - DISPOSING OF RELEVANT PROPERTY

Commonwealth entities dispose of relevant property in a number of ways, such as by sale, gift, trade-in, transfer to another Commonwealth entity, destruction, recycling or dumping.

The IGTO CFO is able to approve the disposal and write-off of public property.

General Requirements

Instructions – All officials

You must not dispose of relevant property without approval from an appropriate authority.

If you become aware of public property which has become surplus, obsolete or unserviceable, you must bring the matter to the attention of the AA, through the IGTO CFO, in order that the disposal of the property might be considered.

Instructions — IGTO CFO (as the IGTO's Asset Manager)

You are responsible for the disposal of public property.

Gifting Relevant property

The Finance Minister has delegated to the AA the power to give written approval of a gift of relevant property being made. The delegation is subject to terms and conditions.

The AA has sub-delegated this power to the IGTO CFO.

Instructions – IGTO CFO

You must not make a gift of relevant property unless:

- the property was acquired or produced to be used as a gift;
- the making of the gift is expressly authorised by law; or
- the Finance Minister or a delegate has given written approval to the gift being made.

AAI 10.3 - CUSTODY, USE AND MANAGEMENT OF RELEVANT PROPERTY

Officials must promote the proper use, management and security of any relevant property they receive or have custody of.

General Requirements

Instructions – All officials

You must not misuse or improperly dispose of relevant property.

You are responsible for the security of any relevant property you receive, or have custody of, and must take reasonable steps to safeguard the property from loss.

Accountable Forms

An accountable form is a form that, once completed, can be exchanged or negotiated for a benefit such as money, goods or services. Accountable forms include cheques, credit notes, official manual receipts, credit vouchers, and miscellaneous charge orders.

Instructions – All officials

You must ensure the safe custody and control of any accountable forms in your possession.

Bonds, Debentures and Other Securities

Bonds, debentures and other securities (e.g. shares) are written documents that are evidence of an obligation to pay money to fulfil a debt or other obligation. When an official receives a bond, debenture or other security in the course of their work, it immediately becomes relevant property.

Instructions – All officials

If you receive any bonds, debentures or other securities, you must ensure that:

- **a receipt is issued for the securities received;**
- **a register is maintained of all securities; and**
- **all reasonable steps are taken to safeguard the securities.**

Acquiring Shares and Commonwealth Involvement in a Company

Shares become relevant property when they are acquired by the IGTO. Shares may be represented by a certificate, but more generally are in electronic form only. Section 72 of the PGPA Act places a special requirement on the Treasurer to inform the Parliament of any involvement in a company by the IGTO.

Instructions – Officials who become aware of changes to the IGTO’s involvement in a company

You must ensure that the IGTO CFO is advised as soon as possible if the IGTO:

- forms, or participates in forming, a company or a relevant body;
- becomes or ceases to be a member of a company or a relevant body;
- acquires shares in a company (either by purchase or subscription) or disposes of shares in a company;
- has its rights attaching to company or relevant body shares varied; or
- has its rights as a member of a company or relevant body varied.

AAI 10.4 - LOSS AND RECOVERY OF RELEVANT PROPERTY

Loss of relevant property also includes deficiency, destruction or damage. An official of the IGTO can be held responsible for a loss of relevant property

Instructions - All officials

You are responsible for the security of any relevant property you receive, or have custody of, and must take reasonable steps to safeguard the property from loss.

If you do not take reasonable steps to prevent a loss of relevant property, if the loss occurs whilst the property is in your custody, you will be liable to pay the IGTO an amount equal to the loss.

If you become aware of the loss of public property, other than deficiencies identified by stocktake, you must report the loss immediately to the IGTO CFO who is the Asset Manager for IGTO.

Instructions — IGTO CFO

In the event of loss, you must:

- handle any loss that falls within the terms and conditions of the IGTO’s Comcover policy in accordance with AAI 1.5 *Insurance*;
- determine the issue regarding pursuing the recovery of the debt for all instances of loss that fall outside of those terms and conditions; and
- ensure that IGTO’s Asset Register is updated to reflect the loss of public property.

AAI 11 - WORKING WITH OTHER COMMONWEALTH ENTITIES

This AAI provides instruction to officials about working cooperatively with other Commonwealth entities.

IGTO and the Treasury have in place an inter-agency memorandum of understanding-arrangement to coordinate the provision by the Treasury of corporate support service requirements.

Instructions - All officials

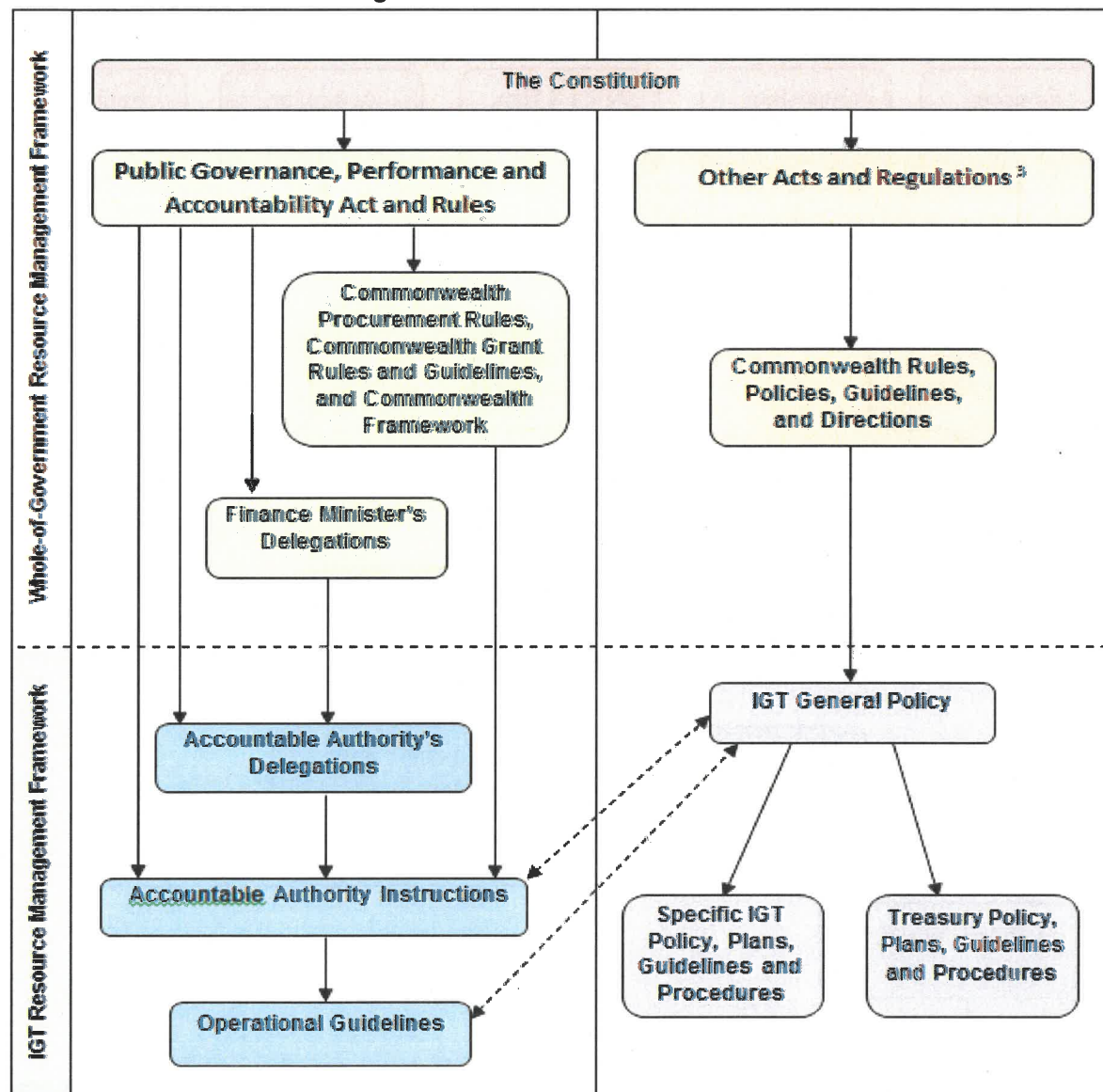
Arrangements between the IGTO and other Commonwealth entities must be documented in an exchange of letters between agency heads and/or a Memorandum of Understanding.

When developing an inter-entity agreement, you 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.**

Appendix

FIGURE 1 – Accountable Authority Instructions within Whole-of Government and IGT Management Framework



³ Non-PGPA legislation and regulations that require compliance by officials.

FIGURE 2 – Agency's Reporting Governance Framework

The IGTO's current reporting governance framework as referred to in IGTO's AAls and Financial Delegation Instrument is as follows:

Stakeholders reported to

