

PARLIAMENTARY COUNSEL

Office Procedural Circular No. 2 Accountable Authority Instructions (AAIs)

Document release 2.0

Reissued October 2015

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Accountable Authority Instructions Introduction

Part 1—The Commonwealth’s resource management framework

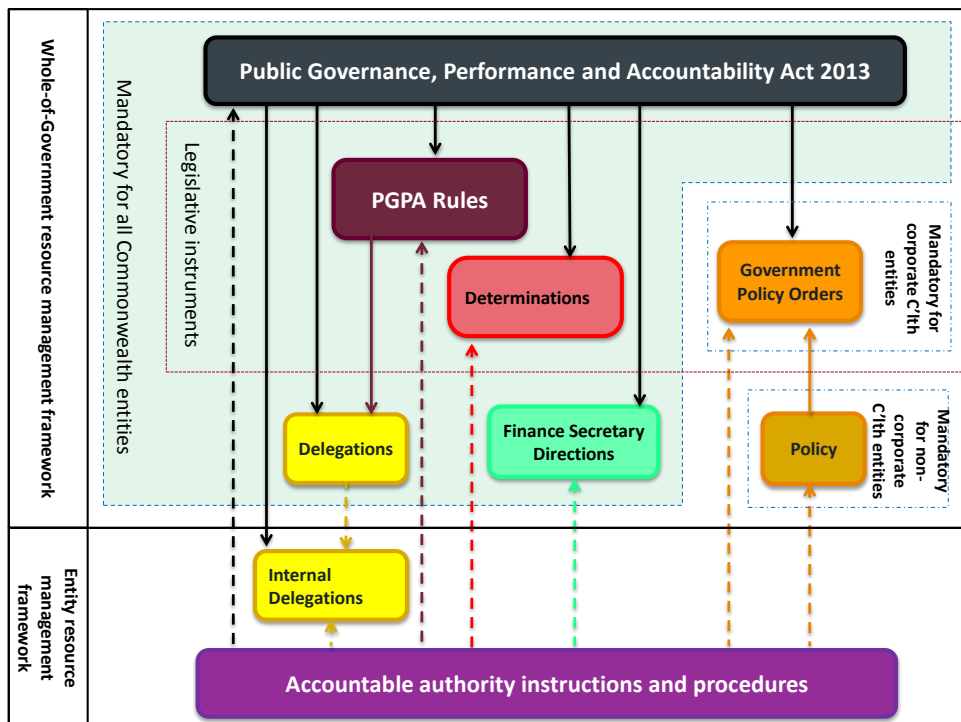
1 Non-corporate Commonwealth entities operate within an environment that is made up of legislation, legislative instruments and government policy. Within this context, the resource management framework consists of the legislation and policy governing the management of Commonwealth resources.

2 Accountable Authority Instructions (AAIs) provide a mechanism for accountable authorities to apply the key principles and requirements of the resource management framework to the operations of their respective entities.

3 In numerous areas there is more detail contained in an Office Procedural Circular. Throughout the AAIs there are references to the relevant Office Procedural Circulars.

4 As far as possible, OPC’s AAIs have been made specific to OPC. However, as these AAIs are based on model AAIs that have been promulgated by the Department of Finance (and will need to change as those model AAIs change), some of the language (particularly in the descriptive and background sections) is generic to all Commonwealth entities.

The Commonwealth’s resource management framework



Part 2—Key concepts

5 There are a number of key concepts that are important to understand. Where possible, the references to these concepts have been made OPC specific throughout the AAIs.

6 This Part is intended to give a brief overview of the key concepts so that they are clearer to OPC staff. Definitions, that have been written by the Department of Finance, of some of these concepts are in the Glossary of Terms at the end of this Circular.

Non-corporate Commonwealth entities: OPC is a Non-corporate Commonwealth entity. All Commonwealth entities (such as Departments, agencies and companies) are either a Corporate Commonwealth entity or a Non-corporate Commonwealth entity.

accountable authority: This is the person or group of persons that has the responsibility for, and control over, the entity's operations. For OPC, First Parliamentary Counsel is the accountable authority.

officials: An official is an individual who is in, or forms part of, the Commonwealth entity. In OPC, this means all of the staff of OPC (including FPC and the Second Parliamentary Counsel).

relevant money: This is basically the same as the previous concept of **public money**. In OPC it means money standing to the credit of any OPC bank account and money that is held by OPC. (Where an OPC officer receives money for OPC, it becomes relevant money as soon as the employee receives it.)

Part 3—Key legislative requirements

Duties of Accountable Authorities

7 The *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, requires an accountable authority to ensure systems and processes are in place to properly manage public resources. Of relevance is the duty to govern a Commonwealth entity in particular ways (section 15) and the duty to establish and maintain systems relating to risk and control (section 16). For further information on the duties of accountable authorities, see Resource Management Guide No. 200, General duties of accountable authorities.

8 Section 16 requires an accountable authority to establish and maintain appropriate systems of risk oversight and management and an appropriate system of internal controls. The accountable authority is expected to create an operating environment that supports the proper use and management of public resources, without stifling innovation, in pursuit of both the public good and the purposes of the entity for which it is responsible. At a minimum, entities need to have controls and processes for identifying, measuring, managing and reporting material risks.

9 Accountable authorities commonly issue AAIs and associated operational guidance, such as business rules or guidelines, to meet their obligations under the PGPA Act.

Duties of officials

10 The accountable authority's duties operate in concert with the general duties that officials are required to meet, to support the proper use and management of public resources. In undertaking their roles and functions, including in following the accountable authority's instructions, officials must act in accordance with their general duties under the PGPA Act.

11 There are five general duties, which are set out in sections 25 to 29 of the PGPA Act. They are:

- a duty of care and diligence
- a duty to act in honesty, good faith and for a proper purpose
- a duty in relation to use of position
- a duty in relation to use of information
- a duty to disclose interests.

12 These general duties applying to officials in the PGPA Act provide a uniform set of expected behaviours that covers all officials in meeting high standards of governance, performance and accountability. For further information on the duties of officials, see Resource Management Guide No. 203, General duties of officials.

13 The Model AAIs developed by the Department of Finance aim to assist the accountable authority to meet his/her duties under the PGPA Act by providing a tool that, together with general duties of officials under the PGPA Act, helps promote the proper use and management of public resources in its Commonwealth entity.

Issuing instructions

14 Section 20A of the PGPA Act states the following:

- (1) The accountable authority of a Commonwealth entity may, by written instrument, give instructions to an official of the entity about any matter relating to the finance law.
- (2) The accountable authority of a Commonwealth entity may, by written instrument, give instructions to an official of another Commonwealth entity in relation to:
 - (a) the official approving the commitment of relevant money for which the accountable authority is responsible; and
 - (b) the official banking, or otherwise dealing with, relevant money for which the accountable authority is responsible; and
 - (c) the official debiting or crediting an appropriation for which the accountable authority is responsible; and
 - (d) any matter prescribed by the rules that relates to the official dealing with public resources for which the accountable authority is responsible.
- (3) An instruction under subsection (1) or (2) is not a legislative instrument.

15 Section 20A of the PGPA Act authorises accountable authorities to give instructions to officials in their entities on any matter necessary or convenient for carrying out or giving effect to the Act or the rules.

16 In effect, an accountable authority may issue instructions on any matter that promotes the efficient, effective, economical and ethical use of the public resources for which he or she is responsible. This includes instructions relating to the proper use of relevant money, relevant property and other resources.

17 As instruments made under the authority of the PGPA Act, AAIs are part of finance law and are binding on all officials. They can compel officials to comply with particular processes or additional requirements, but should not seek to vary the application of the PGPA Act and rules.

Part 4—Scope of the AAIs

18 As the authority to issue AAIs comes from the PGPA Act, AAIs should only be made on matters that are within the scope of the Act and rules. An accountable authority may also issue AAIs on matters covered by the resource management policies of the Commonwealth, such as travel and cost recovery, to the extent that these matters are within the scope of the PGPA Act and rules (i.e. involve the management of public resources).

19 AAIs apply to all officials of an entity. That said, it may be appropriate for certain instructions to apply only to particular areas or officials within an entity. Any instruction that applies to specific officials or areas, such as an instruction directed at delegates, should clearly specify who it applies to.

20 Where an official of one Commonwealth entity performs a task for one or more other Commonwealth entities, the relevant accountable authority should determine which entity's AAIs apply when that task is being performed. The agreed approach should be incorporated into the Memorandum of Understanding (MOU) or other agreement that establishes the arrangement between the entities.

Part 5—Developing and maintaining AAIs

21 AAIs should be accessible to all officials at all levels of the entity. They should be written in simple, plain language and provide clear instructions on the key requirements of the resource management framework and the rules that apply to resource management within the particular entity. The Model AAIs developed by the Department of Finance are based on these principles. OPC has based its AAIs on the Model AAIs.

22 Ideally, AAIs should not contain detailed procedural requirements. This information should be provided through other documents that provide step-by-step operational guidance.

23 Entities should ensure that AAIs are closely aligned with the internal financial delegations issued to officials of the entity. In particular, officials who exercise a delegation under the PGPA legislation should be provided with clear instructions on the relevant policies and rules that apply to them.

24 Ideally, AAIs should be supported by complementary operational guidance that details specific entity processes and procedures. As AAIs give effect to the PGPA Act and

rules, only the key matters that apply to resource management should be included in AAIs. Detailed step-by-step procedures should be included in operational guidance.

25 Officials should be able to rely on AAIs and any related operational guidance to undertake a particular task, rather than be required to read the relevant legislation and a range of related guidance documents. This also ensures that the accountable authority maintains and sets the appropriate controls and procedures relevant to the entity's objectives.

26 Entities should regularly review their AAIs and operational guidance to ensure that they remain relevant and appropriate. These reviews provide an opportunity to analyse templates, forms and processes to ensure that current instructions and guidance are suitable and up-to-date.

Part 6—Introducing the Model AAIs

Introduction

27 The Department of Finance has developed Model AAIs as a tool designed to assist non-corporate Commonwealth entities in developing their accountable authorities' internal instructions. These Model AAIs are updated from time to time by the Department of Finance. See Resource Management Tool No. 206 Accountable Authority Instructions Non-corporate Commonwealth entities on the Department of Finance website at www.finance.gov.au.

28 These Model AAIs cover the core topics that are applicable to the majority of officials in most non-corporate Commonwealth entities. As a tool, the Model AAIs seek to improve consistency across entities and help all officials to understand and comply with the key requirements of the resource management framework. They are essentially a summary of the key requirements of the resource management framework.

29 The Model AAIs are not designed to be prescriptive or exhaustive, as individual entity requirements may differ, AAIs should be tailored to meet these requirements. The Model AAIs provide accountable authorities with the flexibility to issue additional instructions commensurate with the entity's needs and with the risks involved with undertaking particular functions.

30 Officials, who are responsible for developing an entity's AAIs, are encouraged to use the Model AAIs as the basis for their instructions, rather than attempting to interpret the PGPA legislation themselves. Using the Model AAIs will reduce the risk of misinterpreting the requirements of the resource management framework. The Model AAIs are also designed to promote consistency across the Commonwealth, to allow officials to easily work, or transfer, between entities.

Each of the Model AAIs contains three parts:

- (a) an introduction, providing background information on the topic, the authority to issue it and links to key guidance and references
- (b) the model instructions (text in the grey shaded boxes) on the core requirements of the topic
- (c) suggestions on additional entity guidance (grey text in the boxes) that may be included where relevant to suit an entity's specific needs.

Part 7—Index of AAIs

AAI No.	AAI Topic	Subtopics
1	Managing risk and internal accountability	Accountability for managing risk Fraud risk management and control Audit Accounts and Records Insurance Disclosure of interests
2	Approval and commitment of relevant money	Approving commitments of relevant money and entering into arrangements Guarantees, indemnities, warranties, on behalf of the Commonwealth Official hospitality Official Travel
3	Procurement	
4	Commonwealth credit cards and credit vouchers	
5	Making payments of relevant money	Making payments Taxation obligations
6	Managing relevant money	Receiving relevant money Banking Loss and recovery of relevant money
7	Arrangements relating to other money	
8	Managing debt	Recovery of debts Non-recovery (write-off) of debts Waiver of amounts owing to the Commonwealth Payment by instalments or deferral of the time for payment
9	Managing relevant property	Acquiring relevant property Disposing of relevant property Custody, use and management of relevant property Loss and recovery of relevant property
10	Working with other Commonwealth Entities	

Accountable Authority Instruction No. 1

Managing risk and internal accountability

Part 1—Overview

About this Accountable Authority Instruction (AAI)

31 This AAI is issued under section 20A of the PGPA Act. It provides instruction to officials on activities relating to corporate governance, including:

- managing risks;
- fraud risk management and control;
- audit;
- accounts and records; and
- insurance.

32 Section 15 of the PGPA Act imposes a duty on accountable authorities (which for OPC is FPC), to govern a Commonwealth entity in a way that promotes the ‘proper’ use and management of the public resources for which the accountable authority is responsible. This includes managing, committing, and spending relevant money and managing relevant property. Consistent with this duty, accountable authorities must establish appropriate controls that relate to the corporate governance of the entity, as a crucial part of managing public resources.

33 Corporate governance relates to the general duties of accountable authorities under Chapter 2 of the PGPA Act and is part of the broader governance frameworks established by an accountable authority to manage risk and achieve an entity’s objectives, functions or role.

34 Sections 16 to 19 of the PGPA Act highlight the role and importance of the accountable authority of a Commonwealth entity to establish and maintain appropriate risk frameworks and systems that ensure:

- the development of an entity’s risk management framework, supporting systems and control framework that is fit for purpose, giving consideration to the complexity (or maturity) of the entity;
- cooperation with stakeholders to achieve common objectives;
- consideration of the requirements imposed on others, to ensure that specific risks are placed with those best placed to manage the risk; and
- the communication of risk, and an entity’s ability to manage specific risks, with the responsible Minister.

Duties of officials

35 Sections 25 to 29 of the PGPA Act set out the general duties that apply to officials of all Commonwealth entities particularly in their management and use of public resources.

There are five general duties, which are:

- a duty of care and diligence;
- a duty to act in good faith and for a proper purpose;
- a duty in relation to use of position;
- a duty in relation to use of information; and
- a duty to disclose interests.

36 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.

Risk management

37 Chapter 2 of the PGPA Act places a duty upon an accountable authority to govern its Commonwealth entity in a way that promotes the proper use and management of public resources. In doing so, an accountable authority needs to actively manage risk in order to promote the efficient, effective, economical and ethical use of public resources. Further, under section 21 of the PGPA Act the accountable authority of a non-corporate Commonwealth entity such as OPC must govern the entity in a way that is not inconsistent with policies of the Australian Government. The principles of sound risk management underpin the resource management framework and should inform decision-making. For example, the Commonwealth Procurement Rules and Commonwealth Grants Rules and Guidelines, identify risk management practices as core principles of procurement and grants administration.

38 The international standard on risk management (AS/NZS ISO 31000:2009) defines risk management as “coordinated activities to direct and control an organisation with regard to risk”. The Commonwealth Risk Management Policy requires accountable authorities to put in place appropriate frameworks to manage risk and maintain the appropriate control frameworks to manage the uncertainties faced by the entity.

39 To fulfil FPC’s obligations under the PGPA Act, FPC must:

- have an appropriate system of oversight and maintain OPC’s risk management and control framework;
- articulate the roles and expectations of officials to manage risks; and
- ensure the responsibility for the management of risk and controls is determined, assigned and monitored.

40 To support such an approach the FPC should endorse OPC’s risk management framework and ensure the frameworks and systems are aligned with the Commonwealth risk management policy by:

- linking between OPC’s approach to the management of risk and its strategic plans and objectives; and
- clarifying key accountabilities and responsibilities for managing risk.

41 The principles of good risk management practices underpin the PGPA framework and should inform the behaviours and financial decisions of OPC.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 89, Fraud control policy and plan	Resource Management Guide No 200, General duties of accountable authorities	PGPA Act: s15, s16, s21, s29, s41, s45
OPC No. 81, Risk management framework, processes and plan	Resource Management Guide No 203, General duties of officials	PGPA Rule: s10, s12 to s16D, s17
OPC No. 61, Audit Committee Finance Manual (available in folio views)	Resource Management Guide No 201, Preventing, detecting and dealing with fraud	
OPC No. 53, Management of insurance policies and claims	Resource Management Guide No. 202, Audit Committees	
Workplace Hazard and Incident Report form (available in Word under the Other Forms tab when you create a new document)	Commonwealth Risk Management Policy Commonwealth Procurement Rules Commonwealth Fraud Control Policy	
OPC No. 69, Procedures for determining breaches of the Code of Conduct	ANAO Better Practice Guide Fraud, Control in Australian Government Entities	
OPC No. 105, Disclosing material personal interests and avoiding conflict of interests	ANAO Better Practice Guide, Public Sector Internal Audit ANAO Better Practice Guide, Public Sector Audit Committees: Independent assurance and advice for Accountable Authorities Financial Reporting Rule RMG 125, Commonwealth Entities Financial Statements Guide ANAO Better Practice Guide, Public Sector Financial Statements	

Part 2—Accountable Authority Instructions

1.1 Accountability for managing risk

42 Accountability and responsibility for OPC’s performance lies with the FPC. This includes accountability for OPC’s management of risk. While senior management and FPC

are ultimately accountable for the management of risks, it is the responsibility of all officials to undertake the management of risk.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 81, Risk management framework, processes and plan	Resource Management Guide No 200, General duties of accountable authorities Commonwealth Risk Management Policy	PGPA Act: s16

1.1.1 Instructions—All OPC officials

43 The following instructions apply to all OPC officials.

- 1.1.1.1 You must actively manage risks that are part of your day-to-day work by:
- (a) complying with OPC’s risk management framework, processes and plan;
 - (b) identifying key risks and appropriately responding to them; and
 - (c) reporting key risks to the responsible person.

1.1.2 Instructions—Officials responsible for risk management activities

44 The following instructions apply to all OPC officials responsible for risk management activities.

45 Overall accountability for risk management is with FPC. The Senior Management Team has the responsibility for the implementation and management of OPC’s risk management framework, processes and plan, including providing guidance to others on managing risk. OPC’s audit committee has a role in the system of risk control and management.

- 1.1.2.1 You must develop and maintain a written risk management policy, which:
- (a) clearly defines the responsibility for managing risk;
 - (b) is endorsed by FPC;
 - (c) describes the attributes of OPC’s risk culture it seeks to develop;
 - (d) defines the linkage between OPC’s approach to the management of risk and its strategic plans and objectives; and
 - (e) contains an outline of key accountabilities and responsibilities for managing risk and implementing OPC’s enterprise risk management framework to ensure OPC’s framework and risk profile remain current and relevant.
- 1.1.2.2 You must ensure that a systematic approach to managing risk is integrated in all business processes.

- 1.1.2.3 You must ensure that the risk management framework promotes the development of a positive risk culture.
- 1.1.2.4 You must implement arrangements to communicate risk in a timely and effective manner to internal and external stakeholders.
- 1.1.2.5 You must implement arrangements to proactively understand and contribute to the management of shared risks.
- 1.1.2.6 You must maintain an appropriate level of capability to both implement OPC's risk management framework and manage its risks.
- 1.1.2.7 You must review OPC's risks, its risk management framework and the application of its risk management practices, on a regular basis and implement changes arising from such reviews.

1.2 Fraud risk management and control

46 Section 10 of the PGPA Rule (Preventing, detecting and dealing with fraud) provides that the accountable authority must take all reasonable measures to prevent, detect, and deal with fraud relating to the Commonwealth entity. 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 entity.

47 Further, section 10 of the PGPA Rule provides that the accountable authority must have appropriate mechanisms 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.

48 The Minister for Justice has issued guidance (Resource Management Guide No 201, Preventing, detecting and dealing with fraud (RMG 201)) about the control of fraud, fraud risk assessments, fraud control plans and reporting of fraud.

49 RMG 201 establishes the fraud control framework for Commonwealth entities, and will provide the primary reference point for accountable authorities in relation to fraud control. Within this context, Commonwealth entities develop their own practices, plans and procedures.

50 According to RMG 201, fraud against the Commonwealth means “dishonestly obtaining a benefit, or causing a loss, by deception or other means”. Fraud risk management and control involves all activities aimed at preventing, detecting, investigating and

responding to fraud. These can include processes such as officials training, appointment of Fraud Control Officers and prosecuting offenders.

51 OPC Officials must act in accordance with their general duties under the PGPA Act which provide a uniform set of expected behaviours that covers all officials in meeting high standards of governance, performance and accountability. For further information on the duties of officials, see Resource Management Guide No.203, General duties of officials.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 89, Fraud control policy and plan OPC No. 69, Procedures for determining breaches of the Code of Conduct	Resource Management Guide No 201, Preventing, detecting and dealing with fraud Resource Management Guide No 203, General duties of officials ANAO Better Practice Guide Fraud, Control in Australian Government Entities Commonwealth Fraud Control Policy	PGPA Rule: s10

1.2.1 Instructions—All OPC officials

52 The following instructions apply to all OPC officials.

- 1.2.1.1 You must act in accordance with OPC’s fraud control policy and plan.
- 1.2.1.2 You must report any knowledge of, or suspicion of, fraud or corruption against OPC that has occurred, or might occur, to the General Manager, Second Parliamentary Counsel, First Parliamentary Counsel or the Chair of OPC’s Audit Committee.

1.3 Audit

53 Section 45 of the PGPA Act requires accountable authorities of all Commonwealth entities to ensure that the entity has an audit committee. Section 17 of the PGPA Rule prescribes the minimum functions and membership of the audit committee. From 1 July 2015 the majority of the members of the audit committee must not be officials of the entity. The audit committee helps the Commonwealth entity to comply with obligations under the finance law (the PGPA Act, the PGPA Rule and the PGPA Financial Reporting Rule (FRR)). The audit committee provides a forum for communication between the accountable authority, senior management of the Commonwealth entity and the internal and external auditors of the Commonwealth entity i.e. the Commonwealth Auditor-General.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 61, Audit Committee	Resource Management Guide No 202, Audit Committees ANAO Better Practice Guide, Public Sector Internal Audit ANAO Better Practice Guide, Public Sector Audit Committees: Independent	PGPA Act: s45 PGPA Rule: s17

Key OPC Guidance	Key External Guidance	Key References
	assurance and advice for Accountable Authorities	

1.3.1 Instructions—All OPC officials

54 The following instructions apply to all OPC officials.

- 1.3.1.1 You must cooperate with:
- (a) OPC’s internal auditor, in connection with the conduct of an audit into any aspect of our operations, any requests for information, or any requests for access to records under an official’s control, unless specifically directed otherwise by First Parliamentary Counsel;
 - (b) OPC’s Audit Committee in an open and constructive manner to assist the Audit Committee in its role. In particular, officials must be forthcoming in identifying any areas of potential weaknesses or risk that could be considered in developing the internal audit plan, and constructive when interacting with or addressing issues the Audit Committee, internal audit or external audit raise; and
 - (c) the Commonwealth Auditor-General represented by officials of the Australian National Audit Office, in connection with the conduct of an audit into any aspect of our operations, any requests for information, or any requests for access to records under an official’s control.

1.4 Accounts and records

55 Section 41 of the PGPA Act requires an accountable authority to ensure that the accounts and records of their entity are kept that properly record and explain the entity’s transactions and financial position. Section 41 also requires the form of these records conform with requirements in the rules and facilitates the preparation of annual financial statements and audit reports. It also establishes that the Finance Minister and the responsible Minister are entitled to full and free access to the accounts and records of each Commonwealth entity, subject to any Commonwealth law that prohibits disclosure of particular information.

56 Section 32 of the *Auditor-General Act 1997* provides the Commonwealth Auditor-General with the power to direct an official to obtain information that the Auditor-General requires.

57 OPC’s General Manager (as Chief Finance Officer) has been given operational responsibility for ensuring that proper accounts and records are kept.

Key OPC Guidance	Key External Guidance	Key References
Finance Manual (available in Folio Views)	Financial Reporting Rule RMG 125, Commonwealth Entities Financial Statements Guide	PGPA Act: s41

Key OPC Guidance	Key External Guidance	Key References
	ANAO Better Practice Guide, Preparation of Financial Statements by Public Sector Entities	

1.4.1 Instructions—All OPC officials

58 The following instructions apply to all OPC officials.

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

1.4.1.2 You 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.

1.5 Insurance

59 Non-corporate Commonwealth entities such as OPC are required to arrange insurance of insurable assets and liabilities through Comcover, and to arrange workers compensation insurance through Comcare. The risks normally covered, but not limited to, 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.

60 It is OPC's responsibility to ensure that appropriate coverage is maintained at all times and that changes to assets, liabilities and insurable risks generally are immediately notified to Comcover and incorporated into the entity's insurance program. Comcover is not responsible for insurable risks that have not been included in OPC's insurance program.

61 As with any insurance, this cover will have limits, excess thresholds and other conditions attached. For example, there is the usual duty to disclose matters relevant it is then the insurer's decision whether to accept the risk insured, and on what terms (i.e. the duty of full disclosure). There will be circumstances where OPC is not covered, for example where a claim results from a contractual breach or an unlawful act.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 53, Management of insurance policies and claims	Commonwealth Risk Management Policy	

Key OPC Guidance	Key External Guidance	Key References
Workplace Hazard and Incident Report form (available in Word under the Other Forms tab when you create a new document)		

1.5.1 Instructions—All OPC officials

62 The following instructions apply to all OPC officials.

1.5.1.1 You must disclose any insurance risks and report any potential insurance claim or incident to Comcover in accordance with OPC No. 53.

1.5.1.2 You must disclose any work, health and safety risks and report any incidents or hazards to the Senior Human Resources Officer or General Manager using the Workplace Hazard and Incident Report form.

1.6 Disclosure of interests

63 Section 29 of the PGPA Act places a duty on all officials to disclose material personal interests relating to the affairs of the entity. It is fundamental to good governance that material personal interests are raised and dealt with effectively. Failure to do so can undermine confidence and trust in the Commonwealth entity concerned and potentially the Commonwealth more broadly.

64 The duty to disclose applies only to material personal interests. Materiality depends on the size and nature of the interest and the surrounding circumstances. Material personal interests should not be confined to financial or similar interests. To be material a personal interest must be of a type that can give rise to a real or perceived conflict of interest. The phrase ‘relating to the affairs of the entity’ should be read broadly. For example, it includes activities of the entity that involve collaboration with other entities inside or outside government. The overriding principle for a declaration of a material personal interest should be: if in doubt, declare the interest in accordance with legislative requirements and instructions of your accountable authority.

65 The PGPA Rule provides in sections 12 to 16C the requirements and consequences, where applicable, for disclosure of material personal interests that relate to the affairs of the entity (section 16D deals with the effect of a contravention of the duty to disclose interests). The key section in the PGPA Rule, for developing AAIs, will generally be section 16 of the PGPA Rule. Section 16 provides that an official who has a material personal interest that relates to the affairs of the entity must disclose that interest in accordance with any instructions given by the accountable authority of the entity.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 105, Disclosing material personal interests and avoiding conflict of interests	Resource Management Guide No. 203, General duties of officials	<u>PGPA Act</u> : s29 <u>PGPA Rule</u> : s12 to s16D

1.6.1 Instructions – All OPC officials

66 The following instructions apply to all OPC officials.

1.6.1.1 You must disclose a material personal interest that relates to the affairs of OPC consistent with these instructions and OPC No. 105.

Accountable Authority Instruction No. 2 Approval and commitment of relevant money

Part 1—Overview

About this Accountable Authority Instruction (AAI)

67 This AAI is issued under section 20A of the PGPA Act. It provides instruction to OPC 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; and
- official hospitality.

Relevant money is basically the same as the previous concept of **public money**. In OPC it means money standing to the credit of any OPC bank account and money that is held by OPC. (Where an OPC officer receives money for OPC, it becomes relevant money as soon as the employee receives it.)

Proper use of public resources

68 Section 15 of the PGPA Act imposes a duty on accountable authorities to promote the proper use and management of public resources for which they are responsible. Consistent with this duty, accountable authorities should establish controls that ensure officials consider the proper use (i.e. efficient, effective, economical and ethical use) of public resources when making decisions regarding the commitment of relevant money.

69 It should be noted that this duty is subject to the requirement to govern the entity in a way that is not inconsistent with policies of the Australian Government.

Before committing relevant money

70 Before you commit relevant money, you must be satisfied that:

- you have authority to enter into the commitment;
- you have acted in accordance with the Commonwealth Procurement Rules; and
- you have not acted inconsistent with the policies of the Australian Government.

71 For non-corporate Commonwealth entities such as OPC, the authority to enter into, vary or administer an arrangement generally comes from legislation. The authority can come from section 23 of the PGPA Act or other specific legislation.

72 Accountable authorities usually delegate powers to officials to enter into, vary or administer an arrangement.

73 For non-corporate Commonwealth entities, where a commitment of relevant money relates to the ordinary services and functions of government, the authority to enter into, vary or administer an arrangement is conferred on accountable authorities by section 23 of the PGPA Act. Accountable authorities can delegate this power to officials.

74 Section 18 of the PGPA Rule (Approving commitments of relevant money) sets out the requirements that apply to all Commonwealth entity officials approving the commitment of relevant money.

What is a commitment of relevant money?

75 Relevant money becomes ‘committed’ when the Commonwealth entity undertakes an activity that results in an obligation to pay relevant money. For example, 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.

76 Accountable authorities should establish controls that identify which proposed commitments require approval before the arrangement is entered into (or a payment is made), based on risk and proportionality appropriate to the circumstances of the entity. These processes should be consistent with the accountable authority’s duty to promote the proper use of public resources.

What is an arrangement?

77 Section 23 of the PGPA Act refers to an arrangement as including a contract, agreement, deed or understanding. This is a broad definition and includes a range of agreements, such as 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.

78 An official may only enter into an arrangement if they have been delegated the power to do so.

Who can enter into an arrangement?

79 Arrangements may be entered into, varied and administered under section 23 of the PGPA Act or other specific legislation.

80 Section 23 of the PGPA Act provides an accountable authority of a non-corporate Commonwealth entity with the power to enter into, vary or administer an arrangement, on behalf of the Commonwealth, in relation to the affairs of the entity. It also allows Commonwealth entities to work cooperatively in a range of areas, including where one Commonwealth entity enters into an arrangement and the services can be accessed by other Commonwealth entities.

81 Delegations are an important way in which accountable authorities enable officials within their Commonwealth entity or another Commonwealth entity to enter into an arrangement.

Key OPC Guidance	Key External Guidance	Key References
Instrument of Delegation OPC No. 17, Procurement of and payment for goods and services OPC No. 106, Developing and managing contracts OPC No. 33, Acceptance of gifts and/or benefits by employees, and official hospitality OPC No. 23, Domestic travel OPC No. 101, International travel	Resource Management Guide 400, Approving commitments of relevant money Resource Management Guide No 414, Indemnities, Guarantees and Warranties Resource Management Guide No 405, Official International Travel - Approval and Use of the Best Fare of the Day Resource Management Guide No 404, Official Domestic Travel - Use of the Lowest Practical Fare Resource Management Guide No 418, Payment Terms for Australian Government Travel Arrangements – Card Services WoAG Travel Advice	PGPA Act: s15, s21, s23, s60 PGPA Rule: s18

Part 2—Accountable Authority Instructions

2.1 Approving commitments of relevant money and entering into arrangements

82 Section 15 of the PGPA Act imposes duties on FPC regarding the governance of OPC; including managing OPC in a way that promotes the proper use and management of public resources.

83 Section 23 of the PGPA Act confers on FPC the power to approve proposals for the commitment of OPC’s relevant money.

84 Section 18 of the PGPA Rule (Approving commitments of relevant money) sets out the core legal requirements that apply to approvals for the commitment of relevant money. Section 18 of the PGPA Rule applies to OPC and to all OPC officials involved in the commitment of relevant money.

85 The PGPA framework allows flexibility in the approval of relevant money that allows FPC to apply controls that are appropriate to its entity and specific circumstances. In determining what controls to apply to approval processes, FPC should identify and assess the risks and balance these with the efficiency of operations to achieve appropriate processes for the commitment of relevant money.

Key OPC Guidance	Key External Guidance	Key References
Instrument of Delegation	Resource Management Guide No 400, Approving commitments of	PGPA Act: s15, s21, s23

Key OPC Guidance	Key External Guidance	Key References
OPC No. 17, Procurement of and payment for goods and services OPC No. 106, Developing and managing contracts	relevant money	PGPA Rule: s18

Approving Commitments of Relevant Money

2.1.1 Instructions—All OPC officials

86 The following instructions apply to all OPC officials.

- 2.1.1.1 You must not approve a proposed commitment of relevant money, unless you have been delegated powers to do so.
- 2.1.1.2 Proposed commitments of relevant money must be approved consistent with any written requirements specified in these instructions or the terms of the relevant delegation.
- When required, you must seek approval for a proposed commitment of relevant money from a delegate or FPC.
- 2.1.1.3 Approvals for proposed commitments of relevant money must be properly recorded.

2.1.2 Instructions—OPC officials who have been delegated power to approve proposed commitments of relevant money

87 The following instructions apply to OPC officials who have been delegated power to approve proposed commitments of relevant money.

- 2.1.2.1 You must comply with the requirements of section 18 of the PGPA Rule (Approving commitments of relevant money), and approve the proposed commitment of relevant money consistent with any written requirements, specified in these instructions or the terms of the relevant delegation.
- If a commitment of relevant money involves procurement, you must ensure it complies with the Commonwealth Procurement Rules (CPRs) (see AAI No.3—Procurement).
- 2.1.2.2 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).
- 2.1.2.3 You may approve a commitment of relevant money subject to conditions.
- 2.1.2.4 You must not approve proposed commitments of relevant money that relate to your own work duties (i.e. your official travel and staff development).

Entering into arrangements

2.1.3 Instructions—OPC officials who have been delegated power to enter into arrangements

88 The following instructions apply to officials who have been delegated power to enter into arrangements.

- 2.1.3.1 Before entering into an arrangement, you must ensure it is within the scope of your delegation.
- 2.1.3.2 If the arrangement involves procurement, you must act in accordance with the Commonwealth Procurement Rules (CPRs) (see AAI No. 3—Procurement).
- 2.1.3.3 You must not vary an arrangement, unless:
- (a) it is within the scope of your delegation; and
 - (b) a new commitment of relevant money has been approved under section 23 of the PGPA Act, if required by these instructions.

2.1.4 Instructions—officials who have been delegated power to administer arrangements

89 The following instructions apply to officials who have been delegated power to administer arrangements.

- 2.1.4.1 If you are administering an arrangement, you must ensure that you have authority to do so.
- The power to administer an arrangement can come from section 23 of the PGPA Act or other specific legislation.
- For you to administer an arrangement, the power to do so must be delegated to you by FPC.
- The arrangement must be within the scope of the relevant delegation.

2.2 Guarantees, indemnities, and warranties, on behalf of the Commonwealth

90 Section 60 of the PGPA Act authorises the Finance Minister to grant an indemnity, guarantee or warranty on behalf of the Commonwealth. This power has been delegated by the Finance Minister to accountable authorities of non-corporate Commonwealth entities. However the Finance Minister has not delegated the power to enter into loan guarantees.

91 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. The Commonwealth's policy is that risk should be managed by the party best placed to manage it.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 17, Procurement of and payment for goods and services	Resource Management Guide No 400, Approving commitments of relevant money	PGPA Act: s15, s21, s23, s60 PGPA Rule: s18
OPC No. 106, Developing and managing contracts	Resource Management Guide No 414, Indemnities, Guarantees and Warranties	

2.2.1 Instructions—All OPC officials

92 The following instructions apply to all OPC officials.

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

2.2.2 Instructions—OPC officials authorised to grant a guarantee, indemnity or warranty

93 The following instructions apply to OPC officials authorised to grant a guarantee, indemnity or warranty.

2.2.2.1 Only FPC may enter into an arrangement that involves an indemnity, guarantee or warranty, because this power has not been delegated to any OPC official.

2.2.2.2 If the arrangement involves a loan guarantee, you must obtain authorisation from the Finance Minister for the loan guarantee under PGPA Act section 60 (this power has not been delegated to accountable authorities).

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

2.3 Official hospitality

94 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 Commonwealth entity objectives. Official hospitality may include the provision of refreshments, entertainment, gifts of property, prizes or other benefits. In the majority of cases for OPC, providing official hospitality will be for the ordinary services and functions of government and entered into under section 23 of the PGPA Act.

95 For instructions relating to the gifting of relevant property, see AAI No. 7—Managing relevant property.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 33, Acceptance of gifts and/or benefits by employees, and official	Resource Management Guide No 400, Approving commitments of relevant money	PGPA Act: s15, s21, s23 PGPA Rule: s18

Key OPC Guidance	Key External Guidance	Key References
hospitality		

2.3.1 Instructions—All OPC officials

96 The following instructions apply to all OPC officials.

<p>2.3.1.1 You must not enter into an arrangement to provide official hospitality, unless you have been delegated power to enter into such an arrangement.</p> <p>2.3.1.2 You must not enter into an arrangement to provide official hospitality unless the requirements in these instructions have been met (see AAI No. 2—Approval and commitments of relevant money).</p> <p>2.3.1.3 You must act in accordance with the Commonwealth Procurement Rules (CPRs) when procuring goods or services to provide official hospitality (see AAI No. 3—Procurement).</p> <p>2.3.1.4 Any decision to spend relevant money on official hospitality must be publicly defensible.</p>
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2.4 Official travel

97 Official travel is any travel where OPC is responsible for any of the direct or indirect costs associated with that travel (noting the exceptions for using the coordinated travel procurements). This includes travel by officials, contractors and consultants to undertake work duties at the direction of OPC to achieve one or more of OPC’s objectives. Arrangements for the purpose of official travel will generally be entered into under section 23 of the PGPA Act.

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

Key OPC Guidance	Key External Guidance	Key References
<p>OPC No. 17, Procurement of and payment for goods and services</p> <p>OPC No. 23, Domestic travel</p> <p>OPC No. 101, International travel</p>	<p>Resource Management Guide No 400, Approving commitments of relevant money</p> <p>Resource Management Guide No 405, Official International Travel - Approval and Use of the Best Fare of the Day</p> <p>Resource Management Guide No 404, Official Domestic Travel - Use of the Lowest Practical Fare</p> <p>Resource Management Guide No 418, Payment Terms for Australian Government Travel Arrangements – Card Services</p>	<p>PGPA Act: s15, s21, s23</p> <p>PGPA Rule: s18</p>

Key OPC Guidance**Key External Guidance****Key References**

WoAG Travel Advice

2.4.1 Instructions—All OPC officials

99 The following instructions apply to all OPC officials.

2.4.1.1 You must not enter into an arrangement for official travel unless you have been delegated power to enter into an arrangement of this type (e.g. under section 23 of the PGPA Act).

2.4.1.2 You must not enter into an arrangement for official travel unless the requirements in these instructions have been met (see AAI No. 2—Approving commitments of relevant money and entering into arrangements).

2.4.1.3 You must act in accordance with the Commonwealth Procurement Rules (CPRs) when procuring official travel (see AAI No. 3—Procurement).

2.4.1.4 Where the Government has established coordinated procurements for a particular travel activity, you must use the arrangement established for that activity, unless an exemption has been provided or reimbursement is to be provided to a third party (i.e. a non-Commonwealth entity cannot access coordinated travel procurements) for airfares, accommodation and/or car rental or a travel allowance is to be provided for accommodation arrangements.

2.4.1.5 You must:

- (a) use OPC's 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; and
- (b) use the contracted car rental services providers for car rental arrangements under the Deed for the Provision of Car Rental Services to the Australian Government.

2.4.1.6 For official international travel, unless FPC has agreed that the travel is exempt, you must obtain approval for the need to travel in accordance with the approval requirements in the Official International Travel - Approval and Use of the Best Fare of the Day policy (International Travel Policy).

The approval requirements are:

Where the total estimated cost (GST inclusive) of international travel, either individually or for a delegation or group activity, is:

- (a) \$20,000 or less—the travel must be approved by FPC; and
- (b) more than \$20,000 and all overseas travel by FPC—the travel must be approved by the Minister for Justice.

Accountable Authority Instruction No. 3 Procurement

Part 1—Overview

About this Accountable Authority Instruction (AAI)

100 This AAI is issued under section 20A of the PGPA Act. This AAI, together with AAI No. 2—Approval and committing relevant money provides instruction to entity officials on undertaking a procurement and entering into a procurement contract.

What is procurement?

101 Procurement includes the whole process of acquiring goods or services. It begins when an entity has identified 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.

102 Procurement also covers a situation where an entity acquires goods or services on behalf of another entity or a third party.

The procurement policy framework

103 The Commonwealth Procurement Rules (CPRs) are a legislative instrument issued by the Finance Minister under section 105B of the PGPA Act. The CPRs set out the rules that officials of non-corporate Commonwealth entities such as OPC must comply with when they procure goods and services. Where a third party undertakes a procurement on behalf of the Commonwealth entity, the third party must comply with the CPRs to the greatest extent possible.

104 The CPRs set out the rules for Australian Government procurement and are underpinned by the PGPA Act. Value for money is the core rule of the CPRs. It is achieved by encouraging competition and non-discriminatory processes; using public resources properly; making decisions in an accountable and transparent manner; considering the risks; and conducting a procurement process proportional to the scale and scope of the procurement.

105 Where the Government has established a coordinated procurement, OPC must use the coordinated procurement. Exemptions from a coordinated procurement can only be granted jointly by the Attorney-General and the Finance Minister where a special need for an alternative process can be demonstrated or where the coordinated procurement allows for an alternative approach.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 17, Procurement of and payment for goods and services	Commonwealth Procurement Rules Resource Management Guide No 400, Approving commitments of relevant money	PGPA Act: s23; s60; and s105B PGPA Rule: s18
OPC No. 106, Developing and		

Key OPC Guidance	Key External Guidance	Key References
managing contracts	Procurement-connected policies Confidentiality throughout the procurement cycle AusTender reporting requirements Procurement guidance material	

Part 2—Accountable Authority Instructions

3.1 All procurement—preparation

3.1.1 Instructions—All OPC officials

106 The following instructions apply to all OPC officials.

3.1.1.1 You must determine whether a proposed financial arrangement is a procurement prior to applying the CPRs.

General requirements

3.1.2 Instructions—OPC officials involved with a procurement

107 The following instructions apply to officials involved with a procurement.

3.1.2.1 When undertaking a procurement, you must:

- (a) comply with the CPRs; and
- (b) comply with the requirements of the PGPA Act and Rule.

3.1.2.2 You must not use third-party arrangements to avoid the rules in the CPRs when procuring goods and services.

3.1.2.3 You must treat all potential suppliers to government equitably, subject to the CPRs.

3.1.2.4 You must act ethically throughout a procurement.

3.1.2.5 You must not seek to obtain benefit from supplier practices that may be dishonest, unethical or unsafe.

Planning a procurement

3.1.3 Instructions—OPC officials involved with a procurement

108 The following instructions apply to OPC officials involved with a procurement.

3.1.3.1 Where there is a coordinated procurement for goods or services, you must use that procurement, unless exempted (see Whole-of-Government Procurement Contracts, Arrangements and Initiatives).

3.1.3.2 You must determine the most efficient, effective and appropriate procurement method, proportional to the scale, scope and risk of the procurement.

3.1.3.3 You 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).

- (a) Where the maximum value of a procurement cannot be estimated, you must treat the procurement as being valued above the relevant procurement thresholds.
- (b) You must not divide a procurement into separate parts solely for the purpose of avoiding a relevant procurement threshold.
- (c) You 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.

3.1.3.4 You must actively manage the risks (see AAI No. 1—Managing risk and internal accountability) associated with a procurement, including:

- (a) identifying, assessing, allocating and treating the risks, proportionate to the scale and scope of the procurement;
- (b) generally not accepting risks which another party is best placed to manage; and
- (c) complying with the Commonwealth's policy on indemnities, guarantees and warranties (see 2.2—Guarantees, indemnities and warranties, on behalf of the Commonwealth).

3.1.3.4 If you 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.

When using an existing procurement contract of another entity, you 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.

Procurement method

3.1.4 Instructions—OPC Officials involved with a procurement

109 The following instructions apply to OPC officials involved with a procurement.

3.1.4.1 You must comply with the additional rules for a procurement in the CPRs for goods or services valued at or above \$80,000 (GST inclusive), except if the procurement is exempt from the additional rules by Appendix A in the CPRs.

3.1.4.2 You must undertake an open tender or prequalified tender process for all procurement valued at or above the relevant procurement thresholds, unless it:

- (a) meets the conditions for limited tender in the additional rules; or
- (b) is exempt from the additional rules in the CPRs.

3.2 Procurement valued below the procurement threshold

3.2.1 Instructions—officials involved with a procurement

110 The following instructions apply to officials involved with a procurement.

3.2.1.1 You must ensure that any procurement will achieve a value for money outcome.

3.2.1.2 You must follow the processes for procurements valued below the relevant procurement threshold detailed in OPC No. 17—Procurement of and payment for goods and services.

3.3 Procurement valued at or above the procurement threshold

3.3.1 Instructions—OPC Officials undertaking an approach to market

111 The following instructions apply to OPC officials undertaking an approach to market.

3.3.1.1 If you chose an open tender (including expressions of interest, requests for tenders, other open approaches to the market and any addenda), you must use AusTender to publish the tender and, to the extent practicable, make relevant request documentation available.

- (a) You may use AusTender to make relevant request documentation available if you choose a prequalified tender or limited tender approach to market.
- (b) If you issue an additional notification through other avenues, such as print media, the details selected for inclusion in the notification must be the same as those published on AusTender.
- (c) Where you provide request documentation that is already published on AusTender in another form, the document must be the same as that published on AusTender.

3.3.1.2 You 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.

3.3.1.3 You must include all necessary information in the request documentation to enable potential suppliers to prepare and lodge submissions, including (but not limited to):

- (a) the nature and scope of the goods or services and any requirements to be fulfilled;
- (b) any conditions for participation;

- (c) any minimum content and format requirements;
- (d) evaluation criteria to be considered in assessing submissions; and
- (e) any other terms or conditions relevant to the evaluation of submissions.

3.3.1.4 When prescribing specifications in request documentation you must:

- (a) not include any specification or conditions that create unnecessary obstacles to trade;
- (b) define specifications in terms of performance and functional requirements; and
- (c) ensure specifications are consistent with international standards, except where the international standards would fail to meet the entity's requirements or would impose greater burdens than the use of recognised Australian standards.

3.3.1.5 You 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 you must include words such as "or equivalent" in the specification.

3.3.1.6 If conditions for participation are included in a procurement, you must limit those conditions to the legal, commercial, technical and financial abilities necessary for the supplier to fulfil the procurement.

You must not include a condition for participation that a potential supplier has previous experience with your entity, the Australian Government or in a particular location.

3.3.1.7 You must avoid a potential supplier, or group of potential suppliers, gaining an unfair advantage.

- (a) You 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.
- (b) You 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.

3.3.1.8 You 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.

- (a) You 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.

- (b) Each approach to market must comply with the time limit, including each approach in the case of a multi-stage procurement.
- (c) Where a registration procedure is a condition for participation you 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.

3.3.1.9 You must ensure that where a time limit is extended, the new time limit is applied equitably.

3.3.1.10 You must not accept late submissions unless the submission is late as a consequence of mishandling by the entity.

You must not penalise a potential supplier if their submission is late as a consequence of mishandling by the entity.

3.3.1.11 You must promptly reply to any reasonable request from a potential supplier for relevant information about a procurement.

3.3.1.12 You must receive and open submissions fairly and impartially.

Where you provide tenderers with an opportunity to correct unintentional errors of form between the opening of submissions and any decision, you must provide the opportunity equitably to all tenderers.

3.3.1.13 You must treat all tender submissions as confidential before and after awarding the procurement contract.

3.3.1.14 You must ensure that request documentation, tender assessment plans and tender assessment processes are consistent with the CPRs.

3.3.1.15 You must not cancel a procurement, or terminate or modify a procurement contract, to avoid the additional rules.

3.3.1.16 You must ensure that any procurement will achieve a value for money outcome.

3.3.2 Instructions—OPC Officials assessing tenders

112 The following instructions apply to OPC officials assessing tenders.

3.3.2.1 You must ensure that any tender assessment is:

- (a) consistent with the request documentation; and
- (b) fair and equitable.

3.3.2.2 When evaluating a potential supplier's suitability against the conditions for participation, you must limit the evaluation to the financial, commercial and technical abilities, as specified in either the approach to market or request documentation.

3.3.2.3 Unless it is not in the public interest to award a procurement contract, you must award the procurement contract to the tenderer that:

- (a) satisfies the conditions for participation;
- (b) is fully capable of undertaking the contract; and
- (c) will provide the best value for money.

3.3.2.4 Following the rejection of a submission, you must promptly inform all affected tenderers of the decision and provide debriefings on request.

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

3.4 All procurements—documenting, reporting and managing

Entering into a procurement contract

3.4.1 Instructions—OPC Officials responsible for developing a procurement contract

113 The following instructions apply to OPC officials responsible for developing a procurement contract.

3.4.1.1 You 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 (see Confidentiality Throughout the Procurement Cycle).

3.4.1.2 You 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.

3.4.2 Instructions—OPC officials with a delegation to enter into or vary a procurement contract

114 The following instructions apply to OPC officials with a delegation to enter into or vary a procurement contract.

3.4.2.1 You must ensure that you have authority to enter into or vary a procurement contract.

- (a) The authority to enter into or vary a procurement contract can come from section 23 of the PGPA Act.
- (b) The authority to enter into or vary a procurement contract can be delegated by FPC and the procurement contract must be within the scope of the delegation.

3.4.2.2 You must be satisfied that the procurement achieves a value for money outcome.

3.4.2.3 You must ensure that the procurement contract is consistent with any approval for the proposed commitment (see AAI No. 2—Approval and commitment of relevant money).

3.4.2.4 You must not enter into a procurement contract where there is no end date, unless it allows for periodic review and the ability to be terminated by the entity where it no longer represents value for money.

Reporting Contracts Awarded

3.4.3 Instructions—All OPC officials

115 The following instructions apply to all OPC officials.

3.4.3.1 You must ensure that appropriate documentation is developed and retained for each stage of a procurement, including contract management.

- (a) You should determine the level of documentation required, proportionate to the scale, scope and risk of the procurement.
- (b) You must ensure that there is sufficient documentation to justify the procurement, demonstrate the processes followed and record relevant decisions.

3.4.3.2 You must ensure that details of a procurement contract or contract variation or extension, valued at or above \$10,000, is published on AusTender within 42 days of entering into the procurement contract.

3.4.3.3 You must report a standing offer on AusTender within 42 days of entering into or varying the standing offer and keep relevant details current.

3.4.3.4 You must produce a written report outlining the value and description of goods or services procured and the justification for the use of limited tender for each procurement contract valued at or above the relevant procurement threshold resulting from a limited tender.

Contract management

3.4.4 Instructions—OPC Officials with a delegation to administer a procurement contract

116 The following instructions apply to OPC officials with a delegation to administer a procurement contract.

3.4.4.1 You must ensure that you have authority to administer a procurement contract.

- (a) The authority to administer a procurement contract can come from section 23 of the PGPA Act (and may be express or implied).

- (b) The authority to administer a procurement contract can be delegated by FPC and the procurement contract must be within the scope of the delegation.

3.4.4.2 You must have appropriate documentation with the supplier (for example, a written contract or purchase order).

3.4.4.3 You must actively manage all procurement contracts.

Where there is non-compliance with a procurement contract, you should take appropriate action consistent with the contract.

3.4.4.4 You must make available, on request, the names of subcontractors engaged by a contractor in respect of a procurement contract.

3.4.4.5 You must ensure that contract variations or extensions are approved consistent with any requirements in these instructions and entered into by a relevant delegate.

3.4.4.6 You must ensure that payments under the contract (which are part of the administration of the contract) are made or authorised by a relevant delegate.

Accountable Authority Instruction No. 4 Commonwealth credit cards and credit vouchers

Part 1—Overview

About this Accountable Authority Instruction (AAI)

117 This AAI is issued under section 20A of the PGPA Act. It provides instruction to officials about the use of Commonwealth credit cards and credit vouchers.

What are Commonwealth credit cards and credit vouchers?

118 A Commonwealth credit card is a credit card issued to the Commonwealth entity 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.

119 Charge cards and vendor cards issued to the Commonwealth entity are both a form of Commonwealth credit card for the purposes of the PGPA Act.

- (a) Charge cards authorise the holder to buy goods or services on credit, with payment in full required to be made at a later date (e.g. Mastercard).
- (b) Vendor cards (sometimes called “limited-purpose purchase cards”) are charge cards provided by specific retailers (e.g. Cabcharge eTickets, travel cards and fuel cards).

120 Credit cards and credit vouchers issued to the Commonwealth are different from personal credit cards or vouchers, as they do not provide the holder with a revolving line of credit. Money borrowed by the Commonwealth through the use of a credit card or credit voucher must be paid in full within a specific timeframe.

How do Commonwealth credit cards and credit vouchers work?

121 The use of a Commonwealth credit card or credit voucher is a borrowing by the Commonwealth entity (i.e. an advance of money that must be repaid in accordance with contractually agreed terms).

122 The Finance Minister can enter into a limited range of borrowing agreements under section 56 of the PGPA Act. This includes entering into an agreement for the issue to, and use by, the Commonwealth of credit cards or credit vouchers, provided that the agreement requires the money borrowed to be repaid within 90 days. The Finance Minister has delegated this power to all accountable authorities of non-corporate Commonwealth entities.

123 Generally, an accountable authority or their delegate will enter into a single overarching borrowing agreement for each form of Commonwealth credit card or credit voucher. Officials then act on the relevant borrowing agreement by using a card or voucher issued under that agreement – each Commonwealth credit card and credit voucher is not a separate borrowing agreement.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 55, Credit cards, fuel cards, cabcharge eTickets, travel cards and accountable forms OPC No. 17, Procurement and payment for goods and services AAI No. 2—Approval and commitment of relevant money	Resource Management Guide No 416, Facilitating Supplier Payment Through Payment Card Resource Management Guide No 418, Payment Terms for Australian Government Travel Arrangements – Card Services ANAO Report 37: Management of Credit Cards	PGPA Act: s56

Part 2—Accountable Authority Instructions

4.1.1 Instructions—All OPC officials

124 The following instructions apply to all OPC officials.

4.1.1.1 Only the person issued with a Commonwealth credit card or credit voucher, or someone specifically authorised by that person, may use that credit card, credit card number or credit voucher.

4.1.1.2 You may only use a Commonwealth credit card or card number to obtain cash, goods or services for OPC.

You cannot use a Commonwealth credit card or card number for solely private expenditure.

4.1.1.3 In deciding whether to use a Commonwealth credit card or credit voucher, you must consider whether it would be the most cost-effective payment option in the circumstances.

4.1.1.4 Before using a Commonwealth credit card or credit voucher, you must ensure that the requirements in AAI No. 2—Approval and commitment of relevant money have been met before entering into the arrangement.

4.1.1.5 You must ensure that your use of a Commonwealth credit card or credit voucher is consistent with any approval given, including any conditions of the approval.

4.1.1.6 You must ensure that the use of the Commonwealth credit card does not exceed transaction limits and monthly card limits.

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

4.1.2 Instructions—OPC Officials authorised to issue Commonwealth credit cards and credit vouchers

125 The following instructions apply to officials authorised to issue OPC Commonwealth credit cards and credit vouchers.

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| <p>4.1.2.1 You may only issue Commonwealth credit cards to officials who have the delegation to approve expenditure.</p> <p>4.1.2.2 You may only issue fuel cards to staff with an EVS vehicle.</p> <p>4.1.2.3 You may only issue eTicket cabcharges for approved interstate or local travel.</p> |
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4.1.3 Instructions—Officials with a delegation to enter into borrowing agreements for Commonwealth credit cards and credit vouchers

126 This power has not been delegated to any official.

Accountable Authority Instruction No. 5 Making payments of relevant money

Part 1—Overview

About this Accountable Authority Instruction (AAI)

127 This AAI is issued under section 20A of the PGPA Act and is relevant to non-corporate Commonwealth entities. It provides instruction to officials on making payments of relevant money, including the payment of accounts and taxation obligations.

Making payments of relevant money

128 Internal controls are the key mechanism by which an accountable authority of a Commonwealth entity controls who makes payments on its behalf.

129 A payment involves the transfer of cash, the issuing of instructions to process an Electronic Funds Transfer, the execution and issuing of a cheque or the use of a credit card.

130 For non-corporate Commonwealth entity officials, any payment must be supported by an appropriation. Before making a payment of relevant money officials of these entities must ensure that there is legal authority to spend the relevant money, and that the payment of the money will be spent for the purpose for which it was appropriated. Officials must also ensure that there is sufficient available appropriation to cover the proposed payment.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 17, Procurement and payment for goods and services	Resource Management Guide No. 402, Payment of amount owed to person at time of death	PGPA Act: s15, s16, s21, s23, s76 PGPA Rule: s18, s25
OPC No. 55, Credit cards, fuel cards, cabcharge eTickets, travel cards and accountable forms	Resource Management Guide No. 416, Facilitating Supplier Payment Through Payment Card	
Instrument of Delegation	Resource Management Guide No. 417, Supplier Pay On-Time or Pay Interest Policy	

Part 2—Accountable Authority Instructions

5.1 Making payments

131 Section 16 of the PGPA Act imposes a duty on accountable authorities to establish an appropriate system of internal controls. Internal controls allow accountable authorities to set conditions and limits over who can make a payment of relevant money.

132 For OPC, the authority to administer an arrangement, including making a payment in accordance with an arrangement, comes from section 23 of the PGPA Act. FPC has delegated this function to a small number of OPC officials.

133 Officials who perform the purely administrative tasks necessary to facilitate the payment (i.e. processing the EFT request) would not require a delegation as they are acting under the direction of another official and do not exercise any independent judgement.

OPC Key Guidance	Key External Guidance	Key References
OPC No. 17, Procurement and payment for goods and services	Resource Management Guide No. 416, Facilitating Supplier Payment Through Payment Card	PGPA Act: s16, s21, s23, s76 PGPA Rule: s18
OPC No. 55, Credit cards, fuel cards, cabcharge eTickets, travel cards and accountable forms Instrument of Delegation	Resource Management Guide No. 417, Supplier Pay On-Time or Pay Interest Policy	

General requirements

5.1.1 Instructions—All OPC officials

134 The following instructions apply to all OPC officials.

- 1.1.1.1 All payments of relevant money must be made through OPC’s Financial Management Information System (FinanceOne).
- 1.1.1.2 You must not approve payments in advance of receiving the good or service unless authorised by a financial delegate.
- 1.1.1.3 You must act in a way that ensures that invoices are paid by due date.
- 1.1.1.4 You must make payment using the Commonwealth’s credit card in accordance with OPC’s policy.

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

135 A payment pending probate relates to an amount which the Commonwealth owes to a person at the time of their death. Section 25 of the PGPA Rule (Payment of amount owed to person at time of death) gives the Finance Minister the power to authorise payment of such an amount to the person who the Finance Minister considers should receive the payment without requiring production of probate of the will or letters of administration of the deceased person’s estate.

Key OPC Guidance	Key External Guidance	Key References
	Resource Management Guide No. 402, Payment of amount owed to person at time of death	PGPA Act: s16, s21, s23 PGPA Rule: s18, s25

5.1.2 Instructions—All OPC officials

136 This power has not been delegated to any OPC official.

5.2 Taxation obligations

5.2.1 Instructions—All OPC officials

137 The following instructions apply to all OPC officials.

5.2.1.1 You must maintain appropriate records for the required duration and provide information as requested to enable OPC to meet its taxation obligations.

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

- (a) consider the potential FBT implications of the proposed commitment;
- (b) ensure that the price to be charged for the goods and/or services is inclusive of GST, where applicable.

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

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

Accountable Authority Instruction No. 6 Managing relevant money

Part 1—Overview

About this Accountable Authority Instruction (AAI)

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

- receiving relevant money;
- banking;
- loss of relevant money; and
- borrowings.

What is relevant money?

139 Section 8 of the PGPA Act defines relevant money as money that the Commonwealth or a corporate Commonwealth entity holds as cash or in their bank accounts. Relevant money does not include other CRF money, which is money held under an arrangement by a person outside the Commonwealth, for money of that type see AAI No. 7—Arrangements relating to other CRF money with persons outside of the Commonwealth.

140 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 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.

141 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 OPC Guidance	Key External Guidance	Key References
OPC No. 54, Accounts Receivable	Resource Management Guide No 300, Banking of relevant money by Commonwealth entities	PGPA Act: s8; s53-s55; s56; s68-s70; s74; s74A
OPN No. 55, Credit cards, fuel cards, Cabcharge eTickets, travel cards and accountable forms	Resource Management Guide No 413, Banking of cash by non-corporate Commonwealth entities	PGPA Rule: s18; s19; s20; s21; s27

Part 2—Accountable Authority Instructions

6.1 Receiving relevant money

6.1.1 Instructions—All OPC officials

142 The following instructions apply to all OPC officials.

6.1.1.1 If you receive relevant money you must ensure that money is passed to the Finance Officer for processing as soon as practicable.

6.1.1.2 If it is bankable money you must deposit all unbanked money in a bank by the earliest of the following:

- (a) the last day of the working week, and
- (b) the last working day of the month, and
- (c) the last working day of the financial year.

6.1.1.3 You must ensure that all relevant money is deposited into OPC's official bank account.

6.1.1.4 If you are entering into an arrangement with a person outside the Commonwealth or a Commonwealth entity that involves the handling of other CRF money, you must comply with the instructions in AAI No. 7—Arrangements relating to other CRF money with persons outside of the Commonwealth.

6.1.2 Instructions—OPC officials responsible for receiving and handling relevant money

143 The following instructions apply to OPC officials responsible for receiving and handling relevant money.

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

6.1.2.2 You must ensure that all receipts are processed in the FinanceOne system.

6.2 Banking

144 The accountable authorities of all non-corporate Commonwealth entities require the power to conduct banking business to be delegated to them by the Finance Minister.

145 Section 53 of the PGPA Act provides the Finance Minister with the power, on behalf of the Commonwealth, to enter into an agreement with a bank relating to the conduct of the banking business of the Commonwealth, including in relation to opening and maintaining bank accounts.

146 The Finance Minister has delegated the power to enter into transactional banking agreements, and to open and maintain bank accounts, in Australia to all non-corporate

Commonwealth entity accountable authorities with directions. For OPC, this has been delegated to FPC.

147 Section 55 of the PGPA Act requires officials of all Commonwealth entities who receive relevant money (including money that becomes relevant money upon receipt) that can be deposited in a bank (bankable money) to deposit the money in a bank within the period prescribed by the PGPA Rule, or if the Rule does not prescribe a period, as soon as is practicable, in accordance with any requirements prescribed by the Rule. Sections 19 and 20 of the PGPA Rule prescribe requirements in relation to banking or otherwise dealing with bankable money.

Key OPC Guidance	Key External Guidance	Key References
	Resource Management Guide No 300, Banking of relevant money by Commonwealth entities	PGPA Act: s8; s55, s74, s74A PGPA Rule: s19; s20; s21, s27
	Resource Management Guide No 413, Banking of cash by non-corporate Commonwealth entities	

6.2.1 Instructions—All OPC officials

148 The following instructions apply to all OPC officials.

- 6.2.1.1 You must not deposit bankable money into any bank account other than OPC’s official bank account.
- 6.2.1.2 Bankable money must be deposited in accordance with instruction 6.1.1.2 above.
- 6.2.1.3 Only FPC may open, maintain or close an OPC bank account, because this power has not been delegated in OPC.
- 6.2.1.4 Only FPC may enter into an agreement with a bank for banking business services.

Agreements with Banks

6.2.2 Instructions—OPC officials with a delegation to enter into agreements with banks

149 The following instructions apply to OPC officials with a delegation to enter into agreements with banks.

- 6.2.2.1 You may only enter into an agreement with a bank for banking business services in Australia.

Managing Bank Accounts

6.2.3 Instructions—OPC officials with a delegation to open and maintain bank accounts

150 This power has not been delegated to any OPC official.

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

151 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).

152 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 No. 8—Managing debt.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 54, Accounts Receivable		PGPA Act: s53-55, s68-70

6.3.1 Instructions—All OPC officials

153 The following instructions apply to all OPC officials.

- 6.3.1.1 You must not misuse or improperly dispose of relevant money.
- 6.3.1.2 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.
- 6.3.1.3 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.
- 6.3.1.4 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.
- 6.3.1.5 You must report any loss or deficiency of relevant money to OPC's Chief Finance Officer as soon as practicable after becoming aware of it.

6.4 Borrowings

154 Borrowing on behalf of the Commonwealth is extremely restricted. Section 56 of the PGPA Act allows the Finance Minister, to enter into borrowing agreements on behalf of the Commonwealth that meet certain conditions. The Finance Minister has delegated to all accountable authorities (including FPC) the power to enter into borrowing agreements for Commonwealth credit card or credit voucher services only.

155 For instructions on borrowing in relation to Commonwealth credit cards and credit vouchers, see AAI No. 4—Commonwealth credit cards and credit vouchers.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 55, Credit cards, fuel cards, Cabcharge eTickets, travel cards and accountable forms		PGPA Act: s56

6.4.1 Instructions—All officials

156 This power has not been delegated to any official.

Accountable Authority Instruction No. 7 Arrangements relating to other CRF money with persons outside of the Commonwealth

Part 1—Overview

About this Accountable Authority Instruction (AAI)

157 This AAI is issued under section 20A of the PGPA Act. It provides instruction to officials about arrangements where a person outside of the Commonwealth handles other Consolidated Revenue Fund (*CRF*) money.

Who handles other CRF money?

158 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. 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.

Arrangement with persons outside the Commonwealth

159 Before entering into any arrangement, it is important for officials to consider whether it could involve a person outside of the Commonwealth or a Commonwealth entity handling other CRF money.

160 Other CRF money is defined in section 105(2) of the PGPA Act. It 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. 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, will be other CRF money. 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 will handle other CRF money.

161 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 non-corporate Commonwealth entities 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.

Persons outside the Commonwealth may be authorised to handle other CRF money under an ‘arrangement’

162 The power for FPC to enter into, vary or administer an arrangement is derived from legislation. It may come from section 23 of the PGPA Act. FPC has delegated powers to a small number of OPC officials, to enter into, vary or administer an arrangement.

163 OPC officials should not enter into, vary or administer arrangements, including those related to other CRF money, unless they have been delegated power or authorised to do so.

164 In entering into and administering arrangements related to other CRF money, and deciding which OPC officials should be delegated powers. FPC is subject to their duties and obligations contained in the PGPA legislation.

165 Section 29(1) of the PGPA Rule requires that when entering into an arrangement relating to other CRF money FPC (or their delegate) must ensure the arrangement complies with section 29(2) of the PGPA Rule.

166 Beyond the mandatory requirements listed in section 29(2) of the PGPA Rule, the terms and conditions of the arrangement made with a person outside of the Commonwealth to handle other CRF money are subject to the judgement of the OPC official with the power to enter the arrangement. The OPC official should consider carefully whether additional terms and conditions should be included to ensure that the other CRF money will be appropriately handled and the arrangement will be properly managed. He or she should consider whether any Commonwealth policy requirements should be incorporated into the terms and conditions of the arrangement. Consideration should also be given to what information will be required from the person handling other CRF money to enable the entity to meet its reporting requirements under the PGPA framework (such as the crediting and debiting of relevant appropriations).

Key OPC Guidance	Key External Guidance	Key References
OPC No. 17, Procurement and payment of goods and services	Resource Management Guide No. 303, Other CRF Money	PGPA Act: s23, s105 PGPA Rule: s29.
AAI No. 2—Approval and commitment of relevant money	Resource Management Guide No. 400, Approving commitments of relevant money	

Part 2—Accountable Authority Instructions

7.1.1 Instructions—all OPC officials

167 The following instructions apply to all OPC officials.

1.1.1.1 You must not enter into an arrangement for the use or management (including the receipt, custody or expenditure) of other CRF money by a person outside the Commonwealth, unless:

(a) you have the authority to enter into the arrangement;

- (b) the terms of the arrangement are, at a minimum, compliant with the requirements of section 29 of the PGPA Rule (other CRF money); and
- (c) the arrangement would be a proper use and management of public resources and would not be inconsistent with the policies of the Australian Government.

1.1.1.2 You should ensure the requirements in section 18 of the PGPA Rule have been met (see AAI No. 2—Approval and commitment of relevant money) where the arrangement will involve the commitment of relevant money.

1.1.1.3 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.

7.1.2 Instructions—OPC officials with a delegation to make arrangements with persons outside the Commonwealth in relation to the handling of money

168 The following instructions apply to OPC officials with a delegation to make arrangements with persons outside the Commonwealth in relation to the handling of money.

7.1.2.1 When making an arrangement for the receipt, custody or expenditure of other CRF money by a person outside of the Commonwealth you must comply with any directions relating to the delegation from your accountable authority.

7.1.2.2 When making an arrangement for the receipt, custody or expenditure of other CRF money with a person outside of the Commonwealth or a Commonwealth entity you should be satisfied that the arrangement promotes the proper use and management of the other CRF money:

- (a) complies with the requirements in section 29 of the PGPA Rule (Other CRF Money);
- (b) 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;
- (c) ensures that other CRF money remains in a non-Commonwealth entity bank account for the shortest time reasonable; and
- (d) achieves 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.

7.1.2.3 You should not make an arrangement unless you are satisfied that the risks which might arise from it will be managed in the best interests of the Commonwealth.

Accountable Authority Instruction No. 8 Managing debt

Part 1—Overview

About this Accountable Authority Instruction (AAI)

169 This AAI is issued under section 20A of the PGPA Act. It provides guidance to officials on the management of debts and amounts owing to the Commonwealth.

What is a ‘debt’ and an ‘amount owing to the Commonwealth’?

170 Amounts may be owed to the Commonwealth or a Commonwealth entity, for a number of reasons, such as money owing as a result of an agreement, a transaction or legislation.

171 The PGPA legislation refers to ‘debts’ and ‘amounts owing to the Commonwealth’. Generally, 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. For example, an official who has been overpaid a salary, or a person who has been overpaid a social security payment, may owe a debt to the Commonwealth or a Commonwealth entity as a result of the overpayment. An ‘amount owing to the Commonwealth’ includes all debts owed to the Commonwealth, as well as amounts that are not yet due for payment (e.g. an invoice has been issued but payment is not due until next month).

172 It is important that you can identify and distinguish between a debt and an amount owing. If you are unsure in a particular case, you should seek advice from OPC’s Finance area.

Principles of debt recovery

173 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.

174 The management of debts and amounts owing to the Commonwealth and Commonwealth entities are part of the wider duties of an accountable authority to properly use and manage public resources in particular, section 15 (Duty to govern the Commonwealth entity) and section 16 (Duty to establish and maintain systems relating to risk and control) of the PGPA Act.

175 For additional clarity section 11 of the PGPA Rule (Recovery of debts) prescribes requirements for the recovery of debts by the accountable authority of a non-corporate Commonwealth entity. It requires the accountable authority to pursue recovery of all debts for which they are responsible, unless the debt has been written off in the manner authorised by an Act, or they consider that the debt is not legally recoverable, or that recovery is not economical to pursue. An accountable authority is responsible for debts owing to the Commonwealth in relation to the operations of their entity.

176 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, waive the amount owing to the Commonwealth, or set-off the amount owing to the Commonwealth. Sections 63 and 64 of the PGPA Act provides the Finance Minister with the power to make such decisions (these powers have been delegated in some circumstances – see “Non-recovery (write off) of debts” and “Waiver of amounts owing to the Commonwealth” in this AAI).

Key OPC Guidance	Key External Guidance	Key References
OPC No. 54, Accounts receivable	Resource Management Guide No. 401, Requests for Discretionary Financial Assistance under the <i>Public Governance, Performance and Accountability Act 2013</i>	PGPA Act: s15; s63 and s64 PGPA Rule: s11

Part 2—Accountable Authority Instructions

8.1 Recovery of debts

177 Section 15 of the PGPA Act places requirements on all accountable authorities such as FPC about how the authority governs their entity; including managing their entity in a way that promotes the financial sustainability of their entity and the proper use and management of public resources.

178 These obligations should guide decision-making about debt management, such as the extent to which possible debts are investigated and identified and the methods by which debt recovery is pursued by the accountable authority (or their delegate) of a non-corporate Commonwealth entity under section 11 of the PGPA Rule (Recovery of debts).

Key OPC Guidance	Key External Guidance	Key References
OPC No. 54, Accounts receivable		PGPA Act: s15 PGPA Rule: s11

8.1.1 Instructions—OPC officials with a delegation to pursue debt recovery

179 The following instructions apply to OPC officials with a delegation to pursue debt recovery.

- 8.1.1.1 You must cease any incorrect or ongoing over payments as soon as you are made aware of them, and determine the amount owing to the Commonwealth or to OPC.
- 8.1.1.2 You must pursue recovery of each debt for which FPC is responsible, except debts which are:
- (a) written off as authorised by an Act;
 - (b) not legally recoverable; or

(c) not economical to pursue.

8.2 Non-recovery (write off) of debts

180 Section 11 of the PGPA Rule (Recovery of debts) obliges an accountable authority to pursue recovery of each debt for which they are responsible. However, there are certain circumstances where an accountable authority (or their delegate) can approve the non-recovery of a debt.

181 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. 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 under section 63 of the PGPA Act (see 8.3 Waiver of amounts owing to the Commonwealth).

Key OPC Guidance	Key External Guidance	Key References
OPC No. 54, Accounts receivable		PGPA Act: s15 PGPA Rule: s11

8.2.1 Instructions—All OPC officials

182 The power to write off debts has not been delegated to any OPC official.

8.3 Waiver of amounts owing to the Commonwealth

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

184 Section 63 of the PGPA Act allows the Finance Minister to waive an amount owing to the Commonwealth (subject to some additional requirements for large amounts; see section 24 of the PGPA Rule). This power has been delegated with directions to the accountable authority of the Department of Finance for use in limited circumstances.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 54, Accounts receivable	Resource Management Guide No. 401, Requests for Discretionary Financial Assistance under the <i>Public Governance, Performance and Accountability Act 2013</i>	PGPA Act: s15; s63 PGPA Rule: s11

8.3.1 Instructions—All OPC officials

185 The following instructions apply to all OPC officials.

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

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

8.4 Payment by instalments or deferral of the time for payment

186 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.

187 Section 63 of the PGPA Act gives the Finance Minister the power to modify the terms and conditions on which an amount owing to the Commonwealth is to be paid to the Commonwealth. These powers have been delegated with directions to FPC.

Key OPC Guidance	Key External Guidance	Key References
OPC No.54, Accounts receivable	Resource Management Guide No. 401, Requests for Discretionary Financial Assistance under the <i>Public Governance, Performance and Accountability Act 2013</i>	PGPA Act: s15; s63 PGPA Rule: s11

8.4.1 Instructions—All OPC officials

188 This power has not been delegated to any OPC official.

Accountable Authority Instruction No. 9 Managing relevant property

Part 1—Overview

About this Accountable Authority Instruction (AAI)

189 This AAI is issued under section 20A of the PGPA Act. It provides instruction to officials on the proper use and management of relevant property, including acquisition, disposal, custody, use and loss.

What is relevant property?

190 Section 8 of the PGPA Act defines relevant property as property (other than relevant money) that is owned or held by the Commonwealth or a corporate Commonwealth entity or any other thing prescribed by the PGPA Rule. The PGPA Rule currently does not prescribe any additional things as relevant property. Relevant property includes leased property and property held by the Commonwealth or a corporate Commonwealth entity on behalf of someone else. Relevant property also encompasses gifts given to the Commonwealth entity and its officials.

191 Relevant property can include real property (i.e. land and buildings) and other goods or assets, such as:

- equipment and furniture;
- stationery and office supplies;
- vehicles and fuel;
- IT and telecommunications assets;
- intellectual property and other intangible items; and
- accounts and records.

Additional requirements applying to particular types of relevant property

192 There are 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.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 8, Library collection policy	Resource Management Guide	PGPA Act: s15; s66-70;
OPC No. 12, Executive Vehicle scheme	No 500, Overview of the	s72
OPC No. 17, Procurement and payment for goods and services	Commonwealth Property Management Framework	PGPA Rule: s18
OPC No. 21, Asset management—policies, practices and procedures	Resource Management Guide	
OPC No. 33, Acceptance of gifts and/or benefits by employees, and official hospitality	No 501, Property Management Planning Guidance	
OPC No. 55, Credit cards, fuel cards, Cabcharge eTickets, travel cards and accountable forms	Commonwealth Procurement Rules	
AAI No. 2 Approval and commitment of relevant money		
AAI No. 3 Procurement		

Part 2—Accountable Authority Instructions

9.1 Acquiring relevant property

193 Commonwealth entities acquire or come 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 Commonwealth entity premises or through compulsory acquisition of the property.

194 Acquisition of property under specific legislation, such as the acquisition of any interest in real property under the *Lands Acquisition Act 1989*, is subject to the provisions of that legislation.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 17, Procurement and payment for goods and services	Resource Management Guide No 500, Overview of the Commonwealth Property Management Framework	PGPA Act: s15 PGPA Rule: s18
AAI No. 2 Approval and commitment of relevant money	Resource Management Guide No 501, Property Management Planning Guidance	
AAI No. 3 Procurement	Commonwealth Procurement Rules	
OPC No. 33, Acceptance of gifts and/or benefits by employees, and official hospitality		

Procuring Relevant property

9.1.1 Instructions—OPC officials responsible for procuring relevant property

195 The following instructions apply to officials responsible for procuring relevant property.

- 9.1.1.1 When procuring relevant property, you must:
- (a) act in an efficient, effective, economical and ethical manner;
 - (b) comply with the requirements of section 18 of the PGPA Rule when approving proposed commitments of relevant money (see AAI No. 2—Approval and commitment of relevant money); and
 - (c) act in accordance with the CPRs, if relevant (see AAI No. 3—Procurement).

Receiving Gifts and Benefits

196 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.

197 Generally, officials should not accept gifts or benefits in the course of their work. However, there may be circumstances where it is appropriate to accept a gift or benefit. For example, where refusal could cause cultural offence or where attendance at an event is an important means of developing and maintaining relationships with key stakeholders. Officials should carefully consider the appropriateness of a gift or benefit, before accepting or rejecting it.

198 Gifts provided to officials in the course of their work immediately become relevant property when received.

9.1.3 Instructions—All OPC officials

199 The following instructions apply to all OPC officials.

- 9.1.3.1 You must not ask for, or encourage, the giving of gifts to yourself or other officials.
- 9.1.3.2 You must not accept a gift of money.
- 9.1.3.3 You must not accept a gift or benefit which influences, or could be perceived to influence, your decision or action on a particular matter.
- 9.1.3.4 If you decide to accept a gift or benefit, your decision must be defensible and able to withstand public scrutiny. You must have regard to the general duties on officials in deciding whether to accept a gift.

9.1.3.5 You must obtain FPC’s written approval to accept material gifts or benefits, see OPC No. 33—Acceptance of gifts and/or benefits by employees, and official hospitality.

9.2 Disposing of relevant property

200 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.

201 For non-corporate Commonwealth entities such as OPC, 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.

202 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.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 8, Library collection policy OPC No. 12, Executive Vehicle scheme OPC No. 21, Asset management — policies, processes and procedures OPC No. 33, Acceptance of gifts and/or benefits by employees, and official hospitality OPC No. 55, Credit cards, fuel cards, Cabcharge eTickets, travel cards and accountable forms	Resource Management Guide No 203, General duties of officials	PGPA Act: s15, s66, s67

General Requirements

9.2.1 Instructions—All OPC officials

203 The following instructions apply to all OPC officials.

9.2.1.1 You must ensure that relevant property is disposed of by:

- (a) transferring the property (with or without payment) to another government entity within Australia (including State or Territory governments) with a need for the property; or
- (b) selling the property at market value, where it is economical to do so.

9.2.1.2 You must obtain approval from the General Manager to dispose of relevant property.

9.2.1.3 You must not make a gift of relevant property, unless it complies with the instructions under “Gifting Relevant property” in this AAI.

9.2.2 Instructions—Officials responsible for the disposal of relevant property

204 The following instructions apply to officials responsible for the disposal of relevant property.

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

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

9.2.2.2 You must ensure an open and competitive disposal process and not dispose of an asset directly to an OPC official or to another person believed to be a member of an OPC official’s family.

Gifting relevant property

205 Section 66 of the PGPA Act sets out the circumstances where a gift of relevant property may be made by a Minister or an official of a non-corporate Commonwealth entity. This section also provides the Finance Minister with the power to authorise in writing a gift of relevant property. This power has been delegated with directions to FPC. FPC has not delegated the power.

9.2.4 Instructions—All OPC officials

206 The following instructions apply to all OPC officials.

9.2.4.1 You must not make a gift of relevant property unless:

- (a) the property was acquired or produced to be used as a gift; or
- (b) the making of the gift is expressly authorised by law; or
- (c) the Finance Minister or a delegate has given written authorisation to the gift being made under section 66 of the PGPA Act.

9.2.4.2 If you make an unauthorised gift of relevant property you must personally pay the Commonwealth the value of the relevant property.

9.2.5 Instructions—OPC officials with a delegation to approve a gift of relevant property

207 This power has not been delegated to any OPC official.

9.3 Custody, use and management of relevant property

208 Accountable authorities should ensure that officials promote the proper use, management and security of any relevant property they receive or have custody of.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 8, Library collection policy		PGPA Act: s15;
OPC No. 12, Executive vehicle scheme		PGPA Rule: s18
OPC No. 21, Asset management—policies, practices and procedures		
OPC No. 33, Acceptance of gifts and/or benefits by employees, and official hospitality		
OPC No. 55, Credit cards, fuel cards, Cabcharge eTickets, travel cards and accountable forms		

General Requirements

9.3.1 Instructions—All OPC officials

209 The following instructions apply to all OPC officials.

- 9.3.1.1 You must not misuse or improperly dispose of relevant property.
- 9.3.1.2 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.
- 9.3.1.3 You may only use relevant property for official purposes, unless permission for private use has been given.
- 9.3.1.4 You must report suspected theft or serious misuse of relevant property to the General Manager.

9.3.2 Instructions—OPC officials who supervise staff

210 The following instructions apply to OPC officials who supervise staff.

- 9.3.2.1 You must ensure that effective measures are taken to manage and monitor subordinates' use of relevant property.

Use of Commonwealth Entity Vehicles

211 The fact that Commonwealth leased motor vehicles, made available to certain officials as part of their remuneration packages, are permitted to be used for private purposes, does not alter the obligation on those officials to ensure that the manner and circumstances of the vehicles' use is above reproach and consistent with the vehicles' status as relevant property.

212 The same obligation applies to other officials who might use these vehicles in the course of their duties.

213 Accountable authorities should ensure that officials promote the proper use, management and security of any Commonwealth vehicles they have custody of.

9.3.3 Instructions—All OPC officials

214 The following instructions apply to all officials.

9.3.3.1 You must not drive a Commonwealth entity vehicle, unless prior agreement has been obtained.

9.3.3.2 When driving a Commonwealth entity vehicle you must:

- (a) hold a valid driver's licence appropriate for the class of vehicle and country where you are driving; and
- (b) comply with all relevant traffic laws, ordinances and regulations, including parking restrictions, of the country where you are driving.

9.3.3.3 You must not drive a Commonwealth entity vehicle if you are not medically fit to drive or are taking prescribed or non-prescribed drugs that can impair your driving ability.

9.3.3.4 You may only use a Commonwealth entity vehicle for official purposes, unless permission for private use has been given.

Accountable Forms

215 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, Cabcharge eTickets and stamps.

216 While Cabcharge eTickets are accountable forms, they are also Commonwealth credit cards for the purposes of the PGPA Act. For instructions on using Cabcharge eTickets, see AAI No. 4—Commonwealth credit cards and credit vouchers.

9.3.4 Instructions—All OPC officials

217 The following instructions apply to all OPC officials.

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

9.4 Loss and recovery of relevant property

218 Sections 68 and 69 of the PGPA Act deals with who is responsible for the loss of relevant property. In relation to relevant property, loss also includes deficiency, destruction or damage. An official of a non-corporate Commonwealth entity 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.

219 A loss of property may result in a debt owed to the Commonwealth entity by an official or Minister. A person's liability to pay such a debt is not avoided just because they stopped working for the non-corporate Commonwealth entity after the loss occurred. For further information on the management of debt see AAI No. 8—Managing debt.

Key OPC Guidance	Key External Guidance	Key References
OPC No. 8, Library collection policy		PGPA Act.; s66-70; s72
OPC No. 12, Executive Vehicle scheme		
OPC No. 21, Asset management—policies, practices and procedures		

9.4.1 Instructions—All OPC officials

220 The following instructions apply to all OPC officials.

9.4.1.1 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.

9.4.1.2 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 Commonwealth entity an amount equal to the loss.

9.4.1.3 If you cause or contribute to a loss of relevant property 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.

9.4.1.4 You must report any loss, destruction or damage of relevant property to the General Manager as soon as practicable after becoming aware of it.

Accountable Authority Instruction No. 10 Working with other Commonwealth entities

Part 1—Overview

About this Accountable Authority Instruction (AAI)

221 This AAI is issued under section 20A of the PGPA Act. It provides instruction to officials about working cooperatively with other Commonwealth entities.

222 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.

223 The Department of Finance provides guidance and processes for entities to gain access to appropriations across the Australian Government, and to facilitate payments between entities.

Duties

224 FPC, as an Accountable authority is obliged to comply with the duties upon FPC under sections 15-19 of the PGPA Act in relation to any work undertaken with other Commonwealth entities. In particular, sections 17 and 18 impose particular obligations which are relevant to working with others.

225 Section 17 of the PGPA Act requires an accountable authority to encourage officials of the entity to cooperate with others to achieve common objectives, where practicable. This includes cooperation between Commonwealth entities. The section aims to encourage cooperation, where practicable, where two or more organisations are working towards common goals.

226 Section 18 of the PGPA Act places a duty on an accountable authority to ensure that the compliance, reporting and other obligations imposed on others in relation to the use or management of public resources must take into account the risks associated with that use or management and the effects imposing those requirements may have. This section aims to encourage accountable authorities to think carefully about the administrative requirements they impose on others.

227 The duty is intended to encourage accountable authorities not to over-prescribe 'red-tape' requirements on others in a joint relationship where those requirements do not go to ensuring the proper use and management of public resources. Over-prescribing requirements for the management of public resources can have a negative impact on the efficient and economical use of public resources. Where compliance and reporting requirements are imposed on others they should be necessary and focus on areas of significant risk.

228 OPC officials involved in working with other Commonwealth entities should also observe the general duties contained in sections 25-29 of the PGPA Act.

Inter-entity agreements

229 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 agencies work together. Accountable authorities need to be satisfied that such agreements will allow them to meet their individual accountabilities under the PGPA framework.

230 Inter-entity agreements are diverse in their purpose, form and content, with entities tailoring each agreement to suit a specific situation and range of requirements. For example, an agreement between two entities for the exchange of data might be represented by a simple exchange of letters. However, the provision of services, such as IT services may be undertaken through a service level agreement, while the respective responsibilities of entities involved in a cross-portfolio reform (e.g. Closing the Gap) may be outlined in an MoU.

231 Inter-entity agreements are generally entered into and administered under section 23 of the PGPA Act, as they usually involve the ordinary services or functions of government. When the agreement is made between 2 (or more) non-corporate Commonwealth entities they are generally not legally binding, because they are between parts of the same legal entity (i.e. the Commonwealth). However, they need to be managed according to sound governance principles, including program effectiveness, accountability and transparency. The success of such agreements is dependent on effective relationship management and cooperation between the parties.

232 For non-corporate Commonwealth entities, such as OPC there are a number of mechanisms to facilitate inter-entity activities with other non-corporate Commonwealth entities. These mechanisms include:

- one or more entities accessing an appropriation administered by another entity through a written agreement between accountable authorities;
- a number of entities being able to pool separately appropriated money through the use of a special account; and
- joint contracting, such as one entity entering into a contract on behalf of the Commonwealth, where the services can be accessed by other entities.

233 The National Collaboration Framework (*NCF*) was created to assist Commonwealth entities, state, territory and local jurisdictions to work collaboratively to achieve government objectives. Entities who are involved in longer term cross portfolio or cross jurisdictional collaborative programs, projects or service delivery, can utilise the NCF. The NCF has a structured approach to collaborative service delivery. The NCF provides a tiered approach for Government entities to follow when seeking to collaborate. The framework provides tools and templates for entities to efficiently tailor and enter into inter-entity agreements, such as statements of intent, collaborative head agreement and project agreement.

234 OPC should not enter into an agreement with a corporate Commonwealth entity that allows the corporate Commonwealth entity to access an appropriation, including a special account, administered by OPC.

Key OPC Guidance	Key External Guidance	Key References
	Audit Report No.41 2009-10: Effective Cross-Agency Agreements National Collaboration Framework	PGPA Act: s15, s17, s18, s21, s23.

Part 2—Accountable Authority Instructions

10.1.1 Instructions—All OPC officials

235 The following instructions apply to all OPC officials.

10.1.1.1 You must not enter into an arrangement that commits OPC, or another, non-corporate Commonwealth entity’s current or future appropriation, unless you have been delegated the authority, or authorised by a delegate, to do so under section 23 of the PGPA Act.

10.1.1.2 When undertaking activities that commit or might commit relevant money, you must comply with the requirements in these instructions for section 18 of the PGPA Rule (see AAI No. 2—Approval and commitment of relevant money).

10.1.2 Instructions—All officials

236 The following instructions apply to all officials.

10.1.2.1 When developing an inter-entity agreement, you should ensure that it clearly articulates:

- (a) the objectives of the arrangement, including desired outcomes and timeframes;
- (b) the roles and responsibilities of the parties;
- (c) the details of the activities, including specifications of services or projects to be undertaken;
- (d) resources and timeframe to be applied by parties and PGPA framework issues;
- (e) the approach to identifying and sharing the risks and opportunities involved;
- (f) agreed modes of review and evaluation; and
- (g) agreed dispute resolution arrangements.

10.1.2.2 You should ensure that an inter-entity agreement addresses accountability requirements, including the requirements in the PGPA Act, to enable OPC's accountable authority to meet their responsibilities under the PGPA framework.

Peter Quiggin
First Parliamentary Counsel
30 October 2015

Document History		
Release	Release date	Document number
1.0	1 July 2015	s15jw101.v02.docx
2.0	30 October 2015	s15jw101.v06.docx
