|  |  |  |  |
| --- | --- | --- | --- |
| FRD 12B |  |  | Disclosure of major contracts (June 2016) |
|  |  |  |  |
| Purpose |  |  | To prescribe the disclosure requirements for major contracts in the annual report. |
| Application |  |  | Applies to all entities defined as a department under section 3 of the *Financial Management Act* 1994 (FMA). |
| Operative date |  |  | Annual reporting periods commencing on or after 1 July 2015. |
|  |  |  | FRD 12 *Disclosure of major contracts* is withdrawn and superseded effective 1 July 2015. |
| Requirements |  |  | For contracts greater than $10 million, a department’s annual report shall include a statement by the Accountable Officer, advising that:1. contracts entered into during the reporting period have been disclosed in part or in full, except for certain material that falls within one or more of the criteria contained in Part IV of the *Freedom of Information Act* 1982 (FOI Act);
2. brief details of the contractors and the purpose of contracts that have not been disclosed, and the date when it will be disclosed; and
3. where the details of contracts that have been disclosed are publicly available.
 |
| Definitions |  |  | ***Accountable Officer***: as defined in section 3 of the FMA. |
|  |  |  | ***Annual report***: comprises a report of operations and a financial report. |
|  |  |  | ***Financial report***: comprises a statement of an Income Statement, Balance Sheet, Cash Flows Statement and notes to the financial statements. |
| Guidance |  |  | The Accountable Officer of each department is responsible for ensuring all contracts above $10 million are appropriately disclosed in the annual report, in accordance with this FRD. |
|  |  |  | Disclosures can be made in either the report of operations or the financial report. However, a department should be aware that any financial report disclosures will be subject to audit by the Victorian Auditor-General. |
|  |  |  | Details of contracts that are above $10 million should be fully disclosed on the Victorian Government Contracts Publishing System, unless the contract material is excluded from disclosure for satisfying one or more of the criteria contained in Part IV of the FOI Act. |
|  |  |  | In complying with the requirements, the Accountable Officer should have regard to the current version of the following documents and other relevant material: * + 1. *Ensuring Openness and Probity in Victorian Government Contracts: A Policy Statement* (11 October 2000);
		2. *Ensuring Openness and Probity in Victorian Government Contracts: Implementation Guidelines*; and
		3. Victorian Government Purchasing Board Contract management and contract disclosure policy.
 |
| Background |  |  | In October 2000, the Victorian Government made a policy statement announcing measures to secure an open government. One of the measures included disclosure of contracts over $10 million. This was intended to help the Government achieve its objectives of transparency in contracting processes and disclosure of contract outcomes.This FRD was updated in July 2005 to reflect IFRS terminology.This FRD was revised in June 2016 to update the reference to the Victorian Government Purchasing Board management and contract disclosure policy. Appendix A has been removed as this disclosure has been included in the *Model Report for Victorian Government Departments*. |