

Compliance attestation checklist 2017-18

for the Standing Directions of the
Minister for Finance 2016

February 2018

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Guidelines

1. Introduction

The Standing Directions of the Minister for Finance 2016 (Directions) set the standard for financial management by Victorian Public Sector agencies (Agencies).

This document includes a checklist of the mandatory requirements in the Directions and the supporting Instructions. It is designed to be used by Agencies to assist with monitoring, reporting on and attesting to compliance with the Directions. This includes the annual compliance reporting to Portfolio Departments and the Department of Treasury and Finance (DTF) discussed below. However, while it is not mandatory for Agencies to use the checklist, its use is recommended. Note: the Excel version of the checklist is easier to tailor to an Agency's own business needs.

The checklist sets out all mandatory Directions and Instructions. It also refers to external policies that are mandated through the Directions, such as the *Asset Management Accountability Framework* (AMAF) and the *Victorian Government Risk Management Framework* (VGRMF). The Word version does not set out the individual requirements in those external policies, however these Framework documents are available on the DTF website.

A separate checklist of mandatory requirements is included in the Framework documents. These checklists must be completed by the Agency and any individual Compliance Deficiencies included within the compliance report submitted to the Portfolio Department. The Excel version has separate worksheet tabs for each Framework, listing all mandatory requirements.

If a Direction is not applicable to an Agency, for example the requirement relates to a Portfolio Department or DTF, or it is not currently relevant to the Agency i.e. the Agency has no purchasing cards, please put N/A in the comment column. In the Excel version an Agency may wish to remove the relevant requirements from their tailored checklist.

This Introduction includes further information on compliance activities under the Directions. It should not be used as a substitute for reviewing the Directions and Instructions, and particularly Direction 5.1 and Instruction 5.1.

1.1 Compliance reporting

The Directions require Agencies annually to attest compliance with applicable requirements in the *Financial Management Act 1994* (FMA), the Directions and the supporting Instructions. This attestation must disclose all Material Compliance Deficiencies.

The compliance attestation must relate to compliance **for the entire period** of the relevant financial year, which in most agencies is 1 July until 30 June. However, for the 2017-18 year, please note that for Direction 4.2.3 – Asset management accountability attestation, is as at 30 June 2018 (as per Instruction 5.1, Clause 2.4).

In addition to the annual attestation within the Annual Report, Portfolio Agencies and Portfolio Departments are required to provide other forms of compliance reporting. The type and timing of this compliance reporting by 30 June reporting balance date Agencies, Portfolio Departments and DTF is set out in Instruction 5.1 and summarised in the table below. The due date is normally 15 September, however this has been moved to **31 August in 2018** due to the State election. Note: the due date for 31 December reporting balance date agencies is **15 March 2018**.

Compliance reporting	Due date	Content
Portfolio Agency to Portfolio Departments	<p>By 15 March (for Agencies with 31 December reporting balance dates).</p> <p>By 15 September (for Agencies with 30 June reporting balance dates).</p> <p>Please note: this is by 31 August 2018 for the 2017-18 year.</p>	<p>Agency compliance report</p> <p>The Accountable Officer must provide a compliance report to the Portfolio Department by 15 September (31 August 2018 for 2017-18 compliance year) following the year reviewed.</p> <p>The compliance report must include relevant information drawn from the Responsible Body's annual assessment of financial management compliance (under Direction 5.1.2), and the detailed periodic review of financial management compliance undertaken by internal audit (under Direction 5.1.3).</p> <p>The compliance report should include:</p> <ul style="list-style-type: none"> the processes undertaken by the Agency to achieve the level of compliance; Compliance Deficiencies, including planned and completed remedial actions and timeframes, and separately identifying any Material Compliance Deficiencies; the significant compliance risks of the Agency; a summary of the plan for the detailed periodic review of financial management compliance (under Direction 5.1.3(c)); any notifications made by the Agency for the compliance year required by Directions 3.5.3 (Significant or Systemic Fraud, Corruption and Other Losses) and 5.1.6 (Reporting Material Compliance Deficiencies); progress on transitional Directions (if applicable); and a statement by the Agency Audit Committee that it has reviewed and approved the compliance report (in accordance with Instruction 5.1 clause 1.3).
Portfolio Department to DTF	By 31 October	<p>Portfolio compliance summary</p> <p>Based on the reports provided by Portfolio Agencies to Portfolio Departments, Portfolio Departments must provide a portfolio compliance summary to the DTF Deputy Secretary by 31 October following the year reviewed.</p> <p>The portfolio compliance summary should include:</p> <ul style="list-style-type: none"> the levels of compliance achieved across the portfolio (including within the Portfolio Department as an Agency and all Portfolio Agencies); key areas of Compliance Deficiency across the portfolio, including planned and completed remedial actions and timeframes of the Agencies and the Portfolio Department; an assessment of the significant compliance risks facing the portfolio, including key strategies of the Agencies and the Portfolio Department to mitigate these risks; and any additional Portfolio Department reporting required to DTF under Direction 5.1.7
DTF to the Minister for Finance	By 15 December	<p>Whole of government compliance report</p> <p>Based on the reports provided to DTF by Portfolio Departments, the Accountable Officer of DTF must report to the Minister for Finance on whole of government compliance, compliance risks, and advice on proposed strategies to improve compliance by 15 December following the year reviewed.</p>

1.2 Compliance deficiencies

The following table describes the two concepts referred to in the Directions and Instructions in relation to a failure to fully comply with a requirement in the FMA, Directions or Instructions:

Concept	Definition	Requirements
Compliance Deficiency	An attribute, condition, action or omission that is not fully compliant with a requirement in the FMA, Directions and/or Instructions.	Must be addressed, and <ul style="list-style-type: none">• must be reported to Portfolio Department in the annual Compliance Report.• key areas of Compliance Deficiency must be reported by Portfolio Department to DTF in the Portfolio Compliance Summary.
Material Compliance Deficiency	A Compliance Deficiency that a reasonable person would consider has a material impact on the Agency or the State's reputation, financial position or financial management.	All requirements in relation to compliance deficiencies set out above apply, and additionally: <ul style="list-style-type: none">• must be notified to Responsible Minister and Portfolio Department. Independent Offices must discuss with DTF.• must be included in financial management compliance attestation in the Annual report.

1.3 Annual Report Attestation

Direction 5.1.4 requires the Responsible Body, or a member of the Responsible Body, in relation to the relevant financial year, to attest in the Agency's annual report to compliance with applicable requirements in the FMA, Directions and Instructions, and disclose all Material Compliance Deficiencies.

2017-18 is the first year for a public attestation in an Agency's annual report (in 2016-17 this was an internal trial attestation). In 2017-18, annual reports will generally be tabled:

- 31 December reporting balance date agencies – by **1 May 2018**; and
- 30 June reporting balance date agencies – by **20 September 2018** due to the election year parliamentary sitting schedule (normally by end of October).

1.3.1 No Material Compliance Deficiencies identified

If an Agency has not identified a Material Compliance Deficiency that occurred during the relevant financial year, they must attest that the Agency complied with the applicable Directions and Instructions, in the form set out in Instruction 5.1, Clause 2.2(a).

1.3.2 Material Compliance Deficiencies identified

If an Agency has identified a Material Compliance Deficiency that occurred during the relevant year they must:

- attest that the Agency has complied with the applicable Directions and Instructions, except for the Material Compliance Deficiency;
- disclose the reasons for each Material Compliance Deficiency; and
- disclose planned or completed remedial actions for each Material Compliance Deficiency, in the form set out in Instruction 5.1, Clause 2.2(b).

Guidance on Material Compliance Deficiencies is available from your Portfolio Department Compliance Manager.

FMA Compliance Attestation Checklist

2. Roles and responsibilities

Reference	Requirement	√ / x	Agency notes/comments or N/A
2.1 Overview of roles			
Direction 2.1	Under these Directions:		
Overview of roles	(a) the Responsible Body is ultimately responsible for the Agency's financial management, performance and sustainability, and is responsible to the Responsible Minister;	<input type="checkbox"/>	
	(b) the Accountable Officer is responsible to the Responsible Body, and in some respects to the Responsible Minister;	<input type="checkbox"/>	
	(c) the CFO is responsible to the Accountable Officer, and in some respects to the Responsible Minister; and	<input type="checkbox"/>	
	(d) Responsible Bodies, Accountable Officers and CFOs have various responsibilities to their Agency, to their Portfolio Department or Portfolio Agency, and to DTF.	<input type="checkbox"/>	
2.2 Responsible Body			
Direction 2.2	The Responsible Body must:		
Responsible Body	(a) ensure that government objectives and priorities, and relevant statutory purposes and functions, are furthered in a financially efficient, effective and economical way through:		
	(i) setting the Agency's strategic Direction and priorities;	<input type="checkbox"/>	
	(i) approving related plans, budgets and policies;	<input type="checkbox"/>	
	(ii) approving major decisions related to strategic initiatives and policies;	<input type="checkbox"/>	
	(iii) overseeing the Agency's delivery of services and agency objectives and performance; and	<input type="checkbox"/>	
	(iv) approving key accountability reports including the Annual Report and performance reports.	<input type="checkbox"/>	
	(b) establish appropriate and effective financial governance and oversight arrangements and regularly review the effectiveness of those arrangements;	<input type="checkbox"/>	
	(c) ensure the Agency implements Victorian government policy frameworks relating to the requirements of the FMA and the associated directions issued under section 8 of the FMA (including these Directions, the Instructions and the Financial Reporting Directions);	<input type="checkbox"/>	
	(d) keep the Responsible Minister informed of Agency activities and strategic issues with potential financial implications for the State; and	<input type="checkbox"/>	
	(e) for Agencies with a statutory board or equivalent governing body established by or under statute, conduct an annual review of their financial governance performance.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
2.3 Accountable Officer			
Direction 2.3.1	The Accountable Officer must:		
Accountable Officer – General Responsibilities	(a) promote and regularly review the proper use and management of public resources for which the Agency is responsible;	<input type="checkbox"/>	
	(b) establish and maintain an effective internal control system;	<input type="checkbox"/>	
	(c) identify and manage the Agency's risks;	<input type="checkbox"/>	
	(d) manage the Agency's financial information;	<input type="checkbox"/>	
	(e) ensure the Agency plans and manages performance to achieve financial sustainability;	<input type="checkbox"/>	
	(f) ensure the Agency's financial management compliance;	<input type="checkbox"/>	
	(g) meet internal and external reporting and information provision requirements;	<input type="checkbox"/>	
	(h) provide assurance to the Agency's Audit Committee on:	<input type="checkbox"/>	
	• the integrity of information relevant to financial management, performance and sustainability in the Annual Report; and	<input type="checkbox"/>	
	• compliance with relevant legislation, standards and government requirements for attesting in the Annual Report;	<input type="checkbox"/>	
	(i) consult with the Responsible Body in relation to the appointment or the dismissal of the CFO;	<input type="checkbox"/>	
	(j) provide assurance to the Audit Committee on the integrity of the Agency's:	<input type="checkbox"/>	
	• budgets and financial projections; and	<input type="checkbox"/>	
• financial and performance reports.	<input type="checkbox"/>		
(k) provide the CFO, Audit Committee and internal audit function with access to the Accountable Officer, to enable those positions to carry out their responsibilities; and	<input type="checkbox"/>		
(l) ensure that exemptions from these Directions and Instructions are sought and dealt with appropriately.	<input type="checkbox"/>		
Direction 2.3.2	The Accountable Officer must, as soon as practicable:		
Accountable Officer – Additional responsibilities to the Responsible Minister	(a) provide the Responsible Minister any information related to financial management, performance and sustainability required by the Responsible Minister; and	<input type="checkbox"/>	
	(b) notify the Responsible Minister of any significant issue of which the Accountable Officer is aware that has affected or may affect the Agency's or State's financial management, performance, sustainability or reputation.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 2.3.3 Accountable Officer – Additional Responsibility of Portfolio Agency Accountable Officer	A Portfolio Agency's Accountable Officer must notify their Portfolio Department's Accountable Officer of any significant issue of which they are aware that has affected or may affect the Agency's or State's financial management, performance, sustainability or reputation.	<input type="checkbox"/>	
Direction 2.3.4 Accountable Officer – Additional Responsibilities of Portfolio Department Accountable Officer	A Portfolio Department's Accountable Officer must: <ul style="list-style-type: none"> (a) provide advice and support to its Portfolio Agencies in relation to financial management, performance and sustainability; (b) support the Responsible Minister in the oversight of Portfolio Agencies and the Responsible Minister's portfolio as a whole, including providing information to the Responsible Minister on Portfolio Agencies' financial management, performance and sustainability; and (c) provide information to the DTF Accountable Officer to support the Government's delivery of sound financial management. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Instruction 2.3.4 Accountable Officer – Portfolio Relationship	<p>1. Portfolio Department responsibilities</p> <p>(a) The Portfolio Department Accountable Officer must establish and maintain an effective portfolio relationship framework for:</p> <ul style="list-style-type: none"> • supporting the Responsible Minister's oversight of the financial management performance of Portfolio Agencies; and • assisting the Department of Treasury and Finance (DTF) to manage its whole of government responsibilities. <ul style="list-style-type: none"> – In establishing the portfolio relationship framework under clause 1.1 of this Instruction, the portfolio Department Accountable Officer must: <ul style="list-style-type: none"> (ii) consider any functions of the Portfolio Department Accountable Officer and/or Minister in their Portfolio Agencies' establishing legislation, including the nature and extent of such functions; (iii) consider the risk profile and performance of Portfolio Agencies and/or sectors; (iv) include any systems, processes, policies and procedures as necessary so as to enable key portfolio relationship functions to be undertaken by the Portfolio Department; (v) consider the roles, responsibilities and relationships between the Portfolio Department and Portfolio Agencies; and (vi) include monitoring and evaluation of the effectiveness of the portfolio relationship function 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	2. DTF responsibility		
	(a) DTF's Accountable Officer must provide support and advice to Portfolio Departments in relation to their portfolio relationship function, including by monitoring the effectiveness of these functions.	<input type="checkbox"/>	
Direction 2.3.5 Accountable Officer – Responsibility to establish requirements for excluded entities	(a) A Portfolio Department Accountable Officer must establish appropriate financial management requirements for their portfolio entities that are excluded from these Directions under Direction 1.2(a)-(c).	<input type="checkbox"/>	
	(b) The Accountable Officers of VicSES and the CFA must establish appropriate financial management requirements for their registered units and volunteer brigades respectively.	<input type="checkbox"/>	
	(c) The financial management requirements established under this Direction must:		
	(a) be established having regard to the requirements in these Directions and Instructions;	<input type="checkbox"/>	
	(b) include appropriate accountability arrangements, and monitoring by the Portfolio Department, VicSES or CFA (as relevant), to ensure entities' compliance with the requirements; and	<input type="checkbox"/>	
	(c) be consistent with relevant Agencies' governing legislation.	<input type="checkbox"/>	
Direction 2.3.6 Accountable Officer – Additional responsibility of DTF Accountable Officer	The DTF Accountable Officer must:		
	(a) provide strategic, timely and comprehensive analysis and advice to the Treasurer and Minister for Finance about whole of state financial and resource management issues, risks and strategies;	<input type="checkbox"/>	
	(b) provide advice, as required, to the Minister for Finance to maintain the currency and effectiveness of the whole of state financial management framework; and	<input type="checkbox"/>	
	(c) provide support and advice to Portfolio Department Accountable Officers on whole of State financial management matters.	<input type="checkbox"/>	
2.4 Chief Finance Officer			
Direction 2.4.1 Chief Finance Officer – Access to executive	The CFO must have access to the Accountable Officer and the Responsible Body in carrying out the CFO's responsibilities.	<input type="checkbox"/>	
Direction 2.4.2 Chief Finance Officer – General responsibilities	The CFO must:		
	(a) prepare accurate information relevant to financial management, performance and sustainability;	<input type="checkbox"/>	
	(b) establish and review accounting and financial information systems, governance and internal controls to safeguard the Agency's resources;	<input type="checkbox"/>	
	(c) provide assurance to the Audit Committee and the Accountable Officer that:		
	• financial reports (estimates and actuals) present fairly, and in accordance with applicable Australian Accounting Standards and the FMA, the Agency's financial position and operating results;	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	<ul style="list-style-type: none"> financial reports (estimates and actuals) are founded on a sound system of risk management and internal compliance and control that implements the policies adopted by the Agency; and the Agency's systems and controls for financial management, performance and sustainability are operating efficiently and effectively in all material respects; 	<input type="checkbox"/>	
	(d) provide strategic advice and options to support informed decision making and organisation strategy concerning the Agency's: <ul style="list-style-type: none"> financial implications of, and risks associated with, current and projected services and assets; and future financial sustainability; 	<input type="checkbox"/>	
	(e) develop the Agency's financial management capability; and	<input type="checkbox"/>	
	(f) maintain a constructive relationship within the Agency, and with the Victorian Auditor General's Office and other CFOs in related Ministerial portfolios.	<input type="checkbox"/>	
Direction 2.4.3	A Portfolio Agency CFO must:		
Chief Finance Officer – Additional responsibilities of Portfolio Agency CFO	(a) provide quality and timely information to the relevant Portfolio Department CFO to meet portfolio reporting obligations; and	<input type="checkbox"/>	
	(b) establish and maintain an effective relationship with the relevant Portfolio Department CFO to promote the purposes of the relevant Ministerial portfolio.	<input type="checkbox"/>	
Direction 2.4.4	A Portfolio Department CFO must:		
Chief Finance Officer – Additional responsibilities of Portfolio Department CFO	(a) support their Accountable Officer in their relationship with the Portfolio Agency;	<input type="checkbox"/>	
	(b) actively assist their Portfolio Agencies to manage issues in light of the possible impact on the financial performance and position of the State;	<input type="checkbox"/>	
	(c) manage portfolio wide issues that could have an impact on the financial performance and position of the State;	<input type="checkbox"/>	
	(d) provide timely, relevant and quality advice to the DTF Accountable Officer on their Portfolio Department's and Portfolio Agency's financial performance, issues and risks;	<input type="checkbox"/>	
	(e) establish and maintain effective relationships with their Portfolio Agencies CFOs and DTF to ensure the performance of their portfolio contributes positively to the State's fiscal strategy and the achievement of financial policy objectives, targets and reporting obligations; and	<input type="checkbox"/>	
	(f) provide timely, relevant and high quality advice and information to their Portfolio Agencies, including facilitating an understanding of and compliance with these Directions and associated frameworks.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 2.4.5 Chief Finance Officer – CFAO expertise and qualifications (Subject to transitional arrangements in Direction 1.4.2)	(a) The CFO must: <ul style="list-style-type: none"> • be suitably experienced; 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> • hold a graduate or post graduate qualification in accounting or other relevant discipline granted by a tertiary education provider; and 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> • keep their knowledge and expertise up to date with developments in financial management including Australian Accounting Standards. 	<input type="checkbox"/>	
	(b) A person that is temporarily acting in the role of CFO for a period no greater than four months is not subject to Direction 2.4.5(a).	<input type="checkbox"/>	
2.4.6 CFO whole of government responsibilities (effective from 1 February 2017)			
Direction 2.4.6.1 Whole of government financial accountability of CFOs	The CFO of a relevant Department or an Agency must:		
	(a) support whole of government financial objectives and the principles of sound financial management; and	<input type="checkbox"/>	
	(b) support their portfolio Ministers in relation to the financial management of their Department or Agency, including issues and risks that may have an impact on the relevant Minister's portfolio or the financial performance and position of the State.	<input type="checkbox"/>	
Direction 2.4.6.2 Accountability of departmental CFOs to inform DTF	The CFO of a relevant Department must:		
	(a) inform the Secretary of DTF of issues and risks of the department and the department's portfolio agencies that may have an impact on the financial performance and position of the State; and	<input type="checkbox"/>	
	(b) directly provide to DTF factual financial information requested by DTF to facilitate reporting and government decision making, within the time provided in the request.	<input type="checkbox"/>	
Direction 2.4.6.3 Accountability of agency CFOs to inform Portfolio Department	The CFO of an Agency must:		
	(a) inform the CFO of their Portfolio Department of issues and risks that may have an impact on the financial performance and position of the State; and	<input type="checkbox"/>	
	(b) directly provide to their Portfolio Department factual financial information requested by the Department to facilitate reporting and government decision making, within the time provided in the request.	<input type="checkbox"/>	
Direction 2.4.6.4 Employment arrangements of departmental CFOs	Without limiting the exercise of his or her employment powers under the <i>Public Administration Act 2004</i> , the Accountable Officer of a relevant Department must:		
	(a) ensure that the position description, employment contract and performance plan of the Department's CFO include accountability to achieve Directions 2.4.6.1 and 2.4.6.2; and	<input type="checkbox"/>	
	(b) consult the Secretary of DTF on the appointment, removal, remuneration level and performance assessment of the Department's CFO, including by ensuring that a representative of DTF is included on any CFO recruitment panel.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 2.4.6.5 Compliance and reporting	Direction 2.4.6 is subject to the compliance and reporting requirements set out in the Standing Directions and the Instructions supporting the Standing Directions, including public attestation to compliance.	<input type="checkbox"/>	
2.5 Delegations of responsibilities under these Directions			
Direction 2.5 Delegations of responsibility under these Directions	<p>(a) The Responsible Body, Accountable Officer and CFO may delegate, in writing, powers and responsibilities under these Directions and the Instructions, other than this power of delegation and the requirements under Directions 5.1.4, 5.2.2 and 5.2.3.</p> <p>(b) A Responsible Body, Accountable Officer or CFO that delegates a power or responsibility under Direction 2.5(a) must:</p> <ul style="list-style-type: none"> • retain accountability for the requirement; <input type="checkbox"/> • oversee the relevant actions of their delegates; <input type="checkbox"/> • ensure that the delegation is appropriate for the efficient and effective conduct of the business of the Agency; <input type="checkbox"/> • ensure that the delegation is assigned to a position and that position is appropriate in relation to the powers and responsibilities being delegated; <input type="checkbox"/> • keep a record of all delegations made under this Direction; and <input type="checkbox"/> • ensure that delegations are kept current and appropriate and regularly reviewed and updated as required. <input type="checkbox"/> <p>(c) Delegates must:</p> <ul style="list-style-type: none"> • be Agency employees; <input type="checkbox"/> • use the delegation for the purpose intended; and <input type="checkbox"/> • act within the limits of their delegation. <input type="checkbox"/> 	<input type="checkbox"/>	

3. Governance

Reference	Requirement	√ / x	Agency notes/comments or N/A
3.1 Effective financial governance			
Direction 3.1 Effective financial governance	The Responsible Body must establish and maintain effective financial governance that includes:		
	(a) an appropriate internal management structure and oversight arrangements for planning, managing and overseeing the financial operations, risks and opportunities of their Agency to achieve performance and compliance;	<input type="checkbox"/>	
	(b) appropriate levels of resourcing and capability (including succession planning) to deliver their Agency's financial management, performance and sustainability obligations;	<input type="checkbox"/>	
	(c) clear roles, responsibilities, accountabilities and delegations that are documented and communicated;	<input type="checkbox"/>	
	(d) the development and implementation of policies and procedures to support the internal control system, in a way that is consistent with, and appropriate for, the sound financial management of their Agency's business operations;	<input type="checkbox"/>	
	(e) the effective management and oversight of the Agency's financial management activities that are undertaken externally, including shared services arrangements and outsourcing to private sector providers;	<input type="checkbox"/>	
	(f) effective relationships between stakeholders, committees of the Responsible Body and management;	<input type="checkbox"/>	
	(g) cooperation with external parties, including other Agencies, to achieve common objectives; and	<input type="checkbox"/>	
	(h) consideration of the effect of compliance burdens when developing and imposing requirements.	<input type="checkbox"/>	
3.2 Oversight and assurance			
Direction 3.2.1.1 Audit Committee – Responsibilities	The Responsible Body must establish an Audit Committee to:		
	(a) independently review and assess the effectiveness of the Agency's systems and controls for financial management, performance and sustainability, including risk management;	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
(b)	oversee the internal audit function under Direction 3.2.2, including to: <ul style="list-style-type: none"> • review and approve the internal audit charter; • review and approve the strategic internal audit plan prepared under Direction 3.2.2.2(b); • review and approve the annual audit work program prepared under Direction 3.2.2.2(c); • review the effectiveness and efficiency of the function; • advise the agency on the appointment and performance of the internal auditors; and • meet privately with internal auditors if necessary; 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
(c)	review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament;	<input type="checkbox"/>	
(d)	review information in the report of operations on financial management, performance and sustainability before it is released to Parliament;	<input type="checkbox"/>	
(e)	review and monitor compliance with the FMA, these Directions and the Instructions, and advise the Responsible Body on the level of compliance attained;	<input type="checkbox"/>	
(f)	review and monitor remedial actions taken to address Compliance Deficiencies;	<input type="checkbox"/>	
(g)	maintain effective communication with external auditors (including the Auditor General and the Auditor-General's duly appointed agents and representatives), including by: <ul style="list-style-type: none"> • understanding the external audit strategy and internal audit activities; • considering the external auditor's views on any issues, including accounting issues that may impact on the financial statements, financial management compliance issues and other relevant risks impacting the Agency's finances; • considering external audit outcomes, including financial and performance audits; • providing a standing invitation to the external auditor to attend Audit Committee meetings; and • meeting privately at least once each year to ensure frank and open communication; 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
(h)	consider recommendations made by internal and external auditors relating to or impacting on financial management, performance and sustainability and the actions to be taken by the Agency to resolve issues raised; and	<input type="checkbox"/>	
(i)	regularly review implementation of actions in response to internal or external audits, including remedial actions to mitigate future instances of non-compliance.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	The Responsible Body must ensure that the internal audit function:		
	(a) is independent of management;	<input type="checkbox"/>	
	(b) has suitably experienced and qualified internal auditors;	<input type="checkbox"/>	
	(c) has access to the Responsible Body, Audit Committee, Accountable Officer and CFO, and has sufficient information, to enable it to perform its function; and	<input type="checkbox"/>	
	(d) is subject to a protocol to manage conflicts of interest for internal auditors.	<input type="checkbox"/>	
Direction 3.2.2.2	The internal audit function must:		
Internal Audit – Responsibilities	(a) prepare and maintain an internal audit charter for approval by the Audit Committee, which is clearly understandable and made available to all agency management and staff;	<input type="checkbox"/>	
	(b) each year, prepare, maintain and implement a strategic internal audit plan based on the governance, risks and controls of the Agency, with a rolling period of three or four years;	<input type="checkbox"/>	
	(c) each year, prepare, maintain and implement an audit work program based on the governance, risks and controls of the Agency, that sets out the key areas of internal audit work for the year;	<input type="checkbox"/>	
	(d) in the plan under Direction 3.2.2.2(b) and the program under Direction 3.2.2.2(c), include audits of business processes or units likely to be vulnerable to Fraud, Corruption and Other Losses;	<input type="checkbox"/>	
	(e) each year, provide to the Audit Committee an independent and objective assessment of the effectiveness and efficiency of the Agency's financial and internal control systems, reporting processes and activities in accordance with the program under Direction 3.2.2.2(c);	<input type="checkbox"/>	
	(f) assist the Responsible Body to identify deficiencies in financial risk management;	<input type="checkbox"/>	
	(g) develop and implement systems for ensuring the internal audit function operates effectively, efficiently and is appropriate for the Agency's needs;	<input type="checkbox"/>	
	(h) apply relevant professional standards relating to internal audit; and	<input type="checkbox"/>	
	(i) report to the Audit Committee on the effectiveness of the internal audit function.	<input type="checkbox"/>	
3.3 Financial authorisations			
Direction 3.3	(a) An Agency's Responsible Body must establish and maintain authorisations covering the creation of financial liabilities and obligations (including contingent liabilities and obligations) on behalf of that Agency or, in the case of an Agency that is a Portfolio Department, its Responsible Minister.	<input type="checkbox"/>	
Financial authorisations	(b) The Responsible Body must ensure that their Agency's financial authorisations are:		
	• given a financial amount limit;	<input type="checkbox"/>	
	• appropriate for the efficient and effective conduct of the business of the Agency;	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	<ul style="list-style-type: none"> assigned to a specific position and that position is appropriate in relation to the amount being authorised; given so as to cease immediately upon a substantial material change in the duties of the position; given to employees; kept current and appropriate and regularly reviewed and updated as required; and comprehensively maintained in a central record. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	<p>(c) In respect of a Portfolio Department, the Responsible Minister may:</p> <ul style="list-style-type: none"> give financial authorisations to Portfolio Department employees for the creation of financial obligations for any amount; and/or authorise the Accountable Officer of that Portfolio Department to give financial authorisations to Portfolio Department employees, in which case the Accountable Officer must not authorise the creation of financial obligations for any amount exceeding \$10 million. 	<input type="checkbox"/> <input type="checkbox"/>	

3.4 Internal control system

Direction 3.4

Internal control system

The Accountable Officer must establish an effective internal control system in relation to financial management, performance and sustainability, including financial, operational and compliance controls, to:

- (a) ensure effective and efficient Agency operations and processes;
- (b) safeguard resources and assets, and minimise Fraud, Corruption and Other Losses;
- (c) produce reliable internal and external reports; and
- (d) comply with applicable laws, regulations and standards.

The Accountable Officer must:

- (a) design, implement and communicate policies and procedures that meet the requirements in this Direction;
- (b) conduct periodic reviews of those policies and procedures to reflect changes in business operations, technology and good practice trends in financial and risk management; and
- (c) ensure their Agency operations and processes comply with those policies and procedures.

Reference	Requirement	√ / x	Agency notes/comments or N/A
Instruction 3.4	1. Internal control system		
Internal control system	1.1 The Accountable Officer must ensure that the Agency's internal control system under Direction 3.4 includes: <ul style="list-style-type: none"> (a) a control environment; (b) risk assessment; (c) control activities, in particular separation of roles (segregation of duties), financial authorisations and reconciliations; (d) information and communication; and (e) monitoring activities. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	2. Policies and procedures		
	2.1 The policies and procedures required under Direction 3.4(e) must include the following topics: <ul style="list-style-type: none"> (a) revenue; (b) cash; (c) bank accounts; (d) expenditure; (e) payroll; (f) liabilities; (g) taxes; (h) shared or outsourced services; (i) gifts, benefits and hospitality. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	3. Managing revenue		
	3.1 The Accountable Officer must ensure that the Agency's revenue is managed in accordance with the Agency's revenue policies and procedures, which must provide for: <ul style="list-style-type: none"> (a) promptly, completely and accurately identifying, managing, recording and reporting of revenue; (b) the timely and appropriate writing off of revenue; and (c) collecting and securing revenue. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	4. Managing cash		
4.1	The Accountable Officer must ensure that the Agency's cash is managed in accordance with the Agency's cash policies and procedures, which must provide for:		
	(a) promptly, completely and accurately identifying, collecting, securing, investing, banking and forecasting cash; and	<input type="checkbox"/>	
	(b) accurately recording transactions involving cash.	<input type="checkbox"/>	
4.2	For Portfolio Departments and Agencies required to bank into the Public Account, the Agency's cash management policies and procedures must also provide for transmitting timely and reliable cash flow forecasts to DTF.	<input type="checkbox"/>	
	5. Managing bank accounts		
5.1	The Accountable Officer must ensure that the Agency's bank accounts are managed in accordance with the Agency's bank account policies and procedures, which must provide for:		
	(a) the approval of all opening and closing of bank accounts by the Responsible Body;	<input type="checkbox"/>	
	(b) opening of bank accounts with an Authorised Deposit-Taking Institution(s);	<input type="checkbox"/>	
	(c) effective and efficient operations of bank accounts; and	<input type="checkbox"/>	
	(d) at least monthly reconciliation of bank accounts.	<input type="checkbox"/>	
	6. Managing expenditure		
6.1	The Accountable Officer must ensure that the Agency's expenditure is managed in accordance with the Agency's expenditure policies and procedures, which must provide for:		
	(a) promptly, completely and accurately identifying, managing, recording and reporting of expenses; and	<input type="checkbox"/>	
	(b) the timely and appropriate payment of expenses	<input type="checkbox"/>	
6.2	The Accountable Officer must ensure that the Agency develops policies and procedures to address the following expenditure types:		
	(a) travel,	<input type="checkbox"/>	
	(b) advertising and communications;	<input type="checkbox"/>	
	(c) employee advances;	<input type="checkbox"/>	
	(d) personal expense reimbursement;	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	(e) capital expenditure;	<input type="checkbox"/>	
	(f) where applicable, remuneration of boards, statutory bodies and advisory committees; and	<input type="checkbox"/>	
	(g) ex-gratia payments.	<input type="checkbox"/>	
	7. Managing payroll		
7.1	The Accountable Officer must ensure that the Agency's payroll is managed in accordance with the Agency's payroll policies and procedures, which must provide for:		
	(a) bona fide payment to employees, including recoupment of over payment of salaries;	<input type="checkbox"/>	
	(b) correct payment made based on the rate in accordance with any written law, industrial award or industrial agreement, and for hours worked;	<input type="checkbox"/>	
	(c) prompt authorisation and disbursement of all deductions;	<input type="checkbox"/>	
	(d) an appropriate level of security for payroll distribution (including independent review prior to processing); and	<input type="checkbox"/>	
	(e) applying the Victorian Government's <i>Cost Recovery Guidelines</i> to the costs associated with voluntary payroll deductions from gross pay.	<input type="checkbox"/>	
	8. Managing liabilities		
8.1	The Accountable Officer must ensure that the Agency's liabilities are managed in accordance with the Agency's liability policies and procedures, which must provide for identifying, managing, recording and reporting of liabilities and commitments for capital expenditure, in a prompt, complete and accurate manner.	<input type="checkbox"/>	
	9. Managing taxes		
9.1	The Accountable Officer must ensure that the Agency's taxation obligations are managed in accordance with taxation law and the Agency's taxation policies and procedures, which must provide for:		
	(a) the prompt preparation and submission of taxation returns/statements;	<input type="checkbox"/>	
	(b) maximising of cash flows from tax entitlements; and	<input type="checkbox"/>	
	(c) informing the Portfolio Department of issues and risks relating to Commonwealth taxation obligations and concessions that are not unique to their own Agencies and which have potential portfolio-wide implications.	<input type="checkbox"/>	
9.2	In addition, Portfolio Departments must inform DTF of:		
	(a) issues that have potential whole of government risks or opportunities; and	<input type="checkbox"/>	
	(b) all significant ATO ruling requests with whole of government implications.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	10. Managing shared services and outsourcing arrangements		
	10.1 The Accountable Officer must ensure that the Agency's shared services and outsourcing arrangements, related to financial management, are effectively managed, including by:		
	(a) prior to sharing or outsourcing functions either in full or part, the costs and benefits are analysed and the decision is approved by the Responsible Body;	<input type="checkbox"/>	
	(b) the services to be provided are detailed in a contract, service level agreement or equivalent, together with performance indicators and measures;	<input type="checkbox"/>	
	(c) performance is regularly monitored and reviewed, including a review (at least annually) by the Accountable Officer or delegate, with the results of the review reported to the Responsible Body;	<input type="checkbox"/>	
	(d) appropriate assurance is obtained, and the level of assurance is documented, annually; and	<input type="checkbox"/>	
	(e) the arrangements are subject to internal and external audit scrutiny.	<input type="checkbox"/>	
	11. Managing gifts, benefits and hospitality		
	11.1 The Accountable Officer must ensure that the Agency develops policies and procedures that apply the minimum accountabilities set out in the Victorian Public Sector Commission's (VPSC) <i>Gifts, Benefits and Hospitality Policy Framework</i> .	<input type="checkbox"/>	
	The Framework (outlining the minimum accountabilities) is available on the VPSC website.		
3.5 Fraud, Corruption and Other Losses			
Direction 3.5.1	The Responsible Body must:		
Fraud, Corruption and Other Losses Policy	(a) take all reasonable steps to minimise and manage the risk of Fraud, Corruption and Other Losses; and	<input type="checkbox"/>	
	(b) establish a Fraud, Corruption and Other Losses prevention and management policy that is implemented across the Agency.	<input type="checkbox"/>	
Direction 3.5.2	The Accountable Officer must:		
Fraud, Corruption and Other Losses – Recordkeeping	(a) keep records of all actual and suspected Fraud, Corruption and Other Losses, including remedial actions planned and taken; and	<input type="checkbox"/>	
	(b) on request, provide their Responsible Minister, Portfolio Department or Audit Committee with a copy of records kept under Direction 3.5.2(a).	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 3.5.3 Significant or Systemic Fraud, Corruption and Other Losses	Where an Agency is made aware of an actual or suspected Significant or Systemic Fraud, Corruption or Other Loss, the Accountable Officer must: <ul style="list-style-type: none"> notify, as soon as is practicable, the Responsible Minister, Audit Committee, Portfolio Department and Auditor-General of the incident and remedial action to be taken, ensure that the persons notified under Direction 3.5.3(a) are kept informed about the incident, including the outcome of investigations; and ensure that the Agency takes appropriate action to mitigate against future Fraud, Corruption and Other Losses. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Instruction 3.5 Fraud Corruption and Other Losses	<p>1. Fraud, Corruption and Other Losses prevention and management policy</p> <p>1.1 The Fraud, Corruption and Other Losses prevention and management policy under Direction 3.5.1(b) must:</p> <ul style="list-style-type: none"> (a) outline the Agency's systems for the prevention, management and tolerance of Fraud, Corruption and Other Losses <input type="checkbox"/> (b) provide for a control environment to mitigate the risk of Fraud, Corruption and Other Losses; <input type="checkbox"/> (c) provide for a control environment to identify and manage incidents of Fraud, Corruption and Other Losses; <input type="checkbox"/> (d) include processes for the investigation of actual and suspected incidents of Fraud, Corruption and Other Losses; and <input type="checkbox"/> (e) include a requirement and process for recording all actual and suspected incidents of Fraud, Corruption and Other Losses. <input type="checkbox"/> <p>1.2 The Fraud, Corruption and Other Losses prevention and management policy under Direction 3.5.1(b) must include a defined value threshold, above which an actual or suspected Fraud, Corruption or Other Loss is considered 'Significant' for the purpose of reporting under Direction 3.5.3. The threshold must not exceed \$5 000 in money or \$50 000 in other property. <input type="checkbox"/></p>		
3.6 Purchasing and prepaid debit cards			
Direction 3.6 Purchasing and prepaid debit cards	The Accountable Officer must establish policies and procedures to ensure appropriate use and administration of purchasing and prepaid debit cards.	<input type="checkbox"/>	
Instruction 3.6 Purchasing and prepaid debit cards	<p>1. Application</p> <p>In this Instruction, clauses 2-3 and 6-7 apply to all purchasing and prepaid debit cards. Clauses 4-6 apply to purchasing and prepaid debit cards issued to employees of Agencies (internal to VPS). Clause 8 applies to prepaid debit cards issued to the public.</p>		

Reference	Requirement	√ / x	Agency notes/comments or N/A
4. Internal purchasing and prepaid debit cards – Issue and withdrawal			
4.1 The program administrator must ensure that:			
	(a) only Agency employees are cardholders	<input type="checkbox"/>	
	(b) only one of each card facility type is to be issued to an employee approved as a cardholder (that is, only one purchasing card and one prepaid debit card per cardholder);	<input type="checkbox"/>	
	(c) for purchasing cards:		
	(i) a maximum purchasing card limit has been set for each cardholder. Purchasing card limits above \$50 000 must be approved by the Accountable Officer;	<input type="checkbox"/>	
	(ii) a maximum monthly limit and individual transaction limit has been set for each cardholder;	<input type="checkbox"/>	
	(iii) the individual transaction limit must not exceed the cardholder's financial authorisation; and	<input type="checkbox"/>	
	(iv) where applicable, restrictions on the types of goods or services for which the cardholder may use the card have been imposed, for example, restrictions on domestic and overseas travel, hospitality and entertainment.	<input type="checkbox"/>	
	(d) for prepaid debit cards:		
	(i) cards must not be loaded with a value greater than \$5 000;	<input type="checkbox"/>	
	(ii) cards must not be pre-loaded and stored unless there are sound security controls around the inventory storage, activation and issue of the cards; and	<input type="checkbox"/>	
	(iii) individual transaction limits must not exceed the cardholder's financial authorisation. When the cardholder does not have a financial delegation, the authorised signatory is responsible for the use of the card and all expenditure incurred; and	<input type="checkbox"/>	
	(e) debit cards other than prepaid debit cards are not issued. Cards linked directly to a bank account are covered by Direction 3.4 and Instruction 3.4 and not by this Instruction.	<input type="checkbox"/>	
4.2 A cardholder must report immediately to the program administrator and the card provider:			
	(a) the loss or theft of the cardholder's purchasing or prepaid debit card; and	<input type="checkbox"/>	
	(b) if the purchasing cardholder knows or suspects unauthorised transactions have been made by a third party, this fact, along with the reasons for such knowledge or suspicion.	<input type="checkbox"/>	
	In both cases the program administrator must take action to cancel the card.		

Reference	Requirement	√ / x	Agency notes/comments or N/A
4.3	The program administrator must ensure that a framework, approved by the Agency Accountable Officer, is in place for dealing with unauthorised use or non-compliance by a cardholder. The framework must state that a purchasing or prepaid debit card is to be withdrawn when the cardholder incurs:		
	(a) an unauthorised transaction exceeding the amount deemed appropriate by the Agency Accountable Officer. The amount deemed appropriate must not exceed \$1 000.	<input type="checkbox"/>	
	(b) a pattern of unauthorised use or non-compliance. The pattern must not exceed three separate instances.	<input type="checkbox"/>	
4.4	A cardholder must return the card to the program administrator at the end of the period for which the card was issued or when changes to the cardholder's employment status result in use of the card as no longer being required.	<input type="checkbox"/>	
4.5	The program administrator must cancel a purchasing card returned under clause 4.4 of this Instruction immediately.	<input type="checkbox"/>	
4.6	For prepaid debit cards returned under clause 4.4 of this Instruction, the Agency must establish appropriate procedures to manage the cancellation (including the return of any remaining prepaid amount to the Agency) or reuse of prepaid debit cards	<input type="checkbox"/>	
5. Internal purchasing and prepaid debit cards – use			
5.1	A cardholder must only use the purchasing or prepaid debit card for official business, and consistently with all applicable legislation, standards and policies of the Government and the Agency.	<input type="checkbox"/>	
5.2	In using and administering a purchasing and prepaid debit card, a cardholder must:		
	(a) always act in the interests of the State, as opposed to personal interests or convenience; and	<input type="checkbox"/>	
	(b) perform their duties honestly and with skill and care.	<input type="checkbox"/>	
5.3	A cardholder must not use the purchasing or prepaid debit card:		
	(a) to obtain cash, except for prepaid debit cards, where cash may only be obtained if the Accountable Officer has authorised the use of the card for this purpose;	<input type="checkbox"/>	
	(b) for purchases covered by other existing contracts, where applicable to an Agency, to which the Government is a signatory, for example, fuel cards and travel expenses;	<input type="checkbox"/>	
	(c) to pay for an expense when reimbursement has been made (or will be made) to the cardholder for that same expense;	<input type="checkbox"/>	
	(d) to pay fines;	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	(e) for gifts and hospitality purposes other than in accordance with the Agency's gifts, benefits and hospitality policies and processes and the Gifts, Benefits and Hospitality Policy Framework issued by the Victorian Public Sector Commission and approved by the authorised signatory;	<input type="checkbox"/>	
	(f) for the payment of tips or gratuities, except in countries other than Australia, to the minimum extent expected in accordance with common practice in the country;	<input type="checkbox"/>	
	(g) for total expenses within one month that exceed the monthly limit; or	<input type="checkbox"/>	
	(h) for personal transactions.	<input type="checkbox"/>	
5.4	If a cardholder inadvertently incurs private expenses, for example, as part of a larger official business purpose transaction, the cardholder must settle all such private expenses as soon as practicable.	<input type="checkbox"/>	
5.5	The program administrator must ensure cardholders:		
	(a) acknowledge and agree with the responsibilities, liabilities and consequences of unauthorised use; and	<input type="checkbox"/>	
	(b) understand the policies and procedures established for card use.	<input type="checkbox"/>	
5.6	The cardholder will be held personally liable for any unauthorised use unless the unauthorised use results from the card being lost or stolen, or because of Fraud on the part of a third party.	<input type="checkbox"/>	
5.7	The Accountable Officer must establish specific policies to ensure prepaid debit cards are used for business purposes only.	<input type="checkbox"/>	
6.	Internal purchasing card payment and prepaid debit cards – acquittal		
6.1	A cardholder must review and sign-off the monthly purchasing card statement or prepaid debit card transaction report for completeness and accuracy, by matching transactions with sufficient supporting documentation and receipt of goods and services.	<input type="checkbox"/>	
6.2	The authorised signatory must review and approve the monthly statements or transaction report. Discrepancies with the cardholder or card provider must be resolved in a timely manner.	<input type="checkbox"/>	
6.3	Agencies using electronic procurement must issue specific policies to ensure requirements for signatories and sufficient documentation are met and can be audited	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	7. Reporting of significant instances of purchasing and prepaid debit card non-compliance		
7.1	The program administrator must define a value threshold, above which an actual or suspected Fraud, Corruption or Other Loss in relation to purchasing and prepaid debit cards is considered 'significant' for the purpose of Direction 3.5.3. The threshold must not exceed \$1 000.	<input type="checkbox"/>	
	8. Prepaid debit cards issued to the public		
8.1	When prepaid debit cards are used to make payments of government benefits to the public , the roles and responsibilities of the Accountable Officer and program administrator in clauses 1 and 2 of this Instruction applies.	<input type="checkbox"/>	
8.2	In addition, the program administrator must ensure that:		
	(a) clause 4.1(d)(i) and (ii) of this Instruction is complied with;	<input type="checkbox"/>	
	(b) staff administering the Government's program to the public are fully aware and apply the Agency's policies and procedures for safeguarding, activating, issuing, monitoring and reconciliation of the cards, and the need for segregation of duties;	<input type="checkbox"/>	
	(c) arrangements are made for the authorised signatory responsible for the program to be provided with a fully reconciled list of cards issued under that program; and	<input type="checkbox"/>	
	(d) compliance monitoring of operations against policies and procedures is performed on a regular basis.	<input type="checkbox"/>	
8.3	The authorised signatory responsible for the program must:		
	(a) have the appropriate financial authorisation for the amount authorised; and	<input type="checkbox"/>	
	(b) review and approve the reconciled list of cards issued for the program and the payments distributed.	<input type="checkbox"/>	
3.7 Managing risk			
Instruction 3.7	1. Business continuity planning		
Managing specific risks – business continuity planning, indemnities and immunities	1.1 The Accountable Officer must ensure that the Agency:		
	(a) develops, implements and maintains documented Business continuity planning (BCP) processes consistent with the latest Australian/New Zealand standard on Business continuity or, where relevant, another Australian, international or industry recognised standard; and	<input type="checkbox"/>	
	(b) reviews and tests its BCP processes on a regular basis, but at a minimum every two years.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	2. Treasurer's indemnity		
	Seeking an indemnity		
2.1	The Accountable Officer must ensure that a request to the Treasurer for an indemnity under Part 6A of the <i>Financial Management Act 1994</i> is made in writing by the Responsible Minister and in accordance with relevant legislation, standards and policies.	<input type="checkbox"/>	
2.2	The submission under clause 2.1 of this Instruction must include the following:		
	(a) a clear identification of the risk assumed by the State if the indemnity is granted;	<input type="checkbox"/>	
	(b) an assessment of the likelihood of the risk materialising;	<input type="checkbox"/>	
	(c) the financial and other impacts or consequences that will occur if the risk materialises;	<input type="checkbox"/>	
	(d) the availability or non-availability of insurance, on commercially reasonable terms from a reputable insurer, in respect of that risk;	<input type="checkbox"/>	
	(e) who is responsible for managing the risk on behalf the relevant Agency;	<input type="checkbox"/>	
	(f) what risk management or mitigation strategies that the Agency proposes to adopt with respect to that risk;	<input type="checkbox"/>	
	(g) the indemnity period proposed; and	<input type="checkbox"/>	
	(h) any further information required by DTF on behalf of the Treasurer.	<input type="checkbox"/>	
2.3	When an indemnity is granted, the Agency must record, at minimum, the following information on the indemnity:		
	(a) a clear description of the risk	<input type="checkbox"/>	
	(b) the name of each party;	<input type="checkbox"/>	
	(c) the name of the party responsible for managing the risk (usually an Agency)	<input type="checkbox"/>	
	(d) an estimate of the financial risk created by the indemnity; and	<input type="checkbox"/>	
	(e) the indemnity period (e.g. commencement and termination or expiry).	<input type="checkbox"/>	
2.4	The Accountable Officer of DTF must:		
	(a) review all indemnities on behalf of the Treasurer;	<input type="checkbox"/>	
	(b) record all indemnities; and	<input type="checkbox"/>	
	(c) monitor and report all significant quantified and unquantified contingent liabilities as part of the Victorian Government's annual financial management process.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
2.5	<p>The Accountable Officer of an Agency must:</p> <ul style="list-style-type: none"> (a) monitor each indemnity granted by the Treasurer under the <i>Financial Management Act 1994</i> and advise the Treasurer in the event of any change in circumstances that may change the nature of the risk covered by the indemnity; and (b) record each indemnity for which it is responsible as a contingent liability in accordance with Australian Accounting Standards. 	<input type="checkbox"/> <input type="checkbox"/>	
2.6	<p>The Accountable Officer of DTF is responsible for monitoring and reporting all significant quantified and unquantified contingent liabilities.</p>	<input type="checkbox"/>	
	<p>3. Statutory immunity</p>		
3.1	<p>The Accountable Officer of a Portfolio Department must, in relation to matters relevant to financial management, performance and sustainability:</p> <ul style="list-style-type: none"> (a) ensure that statutory immunities are relied on consistently with relevant legislation, standards and policies; (b) consult DTF and the Department of Justice and Regulation (DJR) regarding any proposal for a statutory immunity; and (c) when proposing to amend existing statute, review statutory immunities with DTF and DJR, to align the statutory immunities with government policy. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<p>Direction 3.7.1 Risk management framework and processes</p>	<p>The Responsible Body must ensure that the Agency applies the <i>Victorian Government Risk Management Framework (VGRMF)</i>.</p> <p>A separate checklist of mandatory requirements is included in section 3.1 of the VGRMF issued December 2016, updated March 2018, with the current version available on the DTF website. This checklist must be completed by the Agency and any individual compliance deficiencies included within the compliance report submitted to the Portfolio Department.</p>	<input type="checkbox"/>	
<p>Direction 3.7.2.2 Treasury and investment risk management – Policies and procedures</p>	<p>Note: This Direction only applies to Agencies that are authorised to undertake borrowings, investments and other financial arrangements (see Direction 3.7.2.1).</p> <ul style="list-style-type: none"> (a) The Responsible Body must establish and maintain policies and procedures to identify, assess, monitor, report on and mitigate its treasury and investment risks. (b) These policies and procedures must address, at a minimum: <ul style="list-style-type: none"> • interest rate risk; • liquidity risk; • foreign exchange risk; • counterparty risk; • commodity price risk; 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	<ul style="list-style-type: none"> • credit risk; • treasury operational risk; and • investment risk 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Instruction 3.7.2.2	1. Treasury and investment risk management policies		
Treasury and investment risk management policies	<p>1.1 The Responsible Body of an Agency with borrowings and/or cash and interest-earning investments such as term deposits must establish, maintain and ensure Agency compliance with a Treasury Policy that:</p> <ul style="list-style-type: none"> (a) includes a clear definition of each treasury and investment risk along with details of recognition, measurement, timing and objectives of risk management; (b) addresses the Agency's treasury and investment risks; (c) contains guidelines for the management of any investments; and (d) contains guidelines for the use of any borrowings and/or financial arrangements <p>1.2 The Responsible Body of an Agency investing with Victorian Funds Management Corporation (VFMC), or in long-term or other high risk investments such as equities and managed funds, must establish, maintain and ensure Agency compliance with an Investment Policy Statement that:</p> <ul style="list-style-type: none"> (a) includes a clear definition of each treasury and investment risk along with details of recognition, measurement, timing and objectives of risk management (b) contains guidelines for the management of the investments; and addresses the Agency's treasury and investment risks. <p>1.3 The Responsible Body must approve the treasury and investment risk management policies.</p> <p>1.4 The CFO must, on request, make available the treasury and investment risk management policies to the Portfolio Department and/or DTF for review.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Direction 3.7.2.3	Note: This Direction only applies to Agencies that are authorised to undertake borrowings, investments and other financial arrangements (see Direction 3.7.2.1).		
Borrowings, investments and financial arrangements	<p>(a) Subject to Direction 3.7.2.3(b), the Responsible Body must ensure that all borrowings, investments and financial arrangements are transacted with a financial institution that:</p> <ul style="list-style-type: none"> • is a State owned entity; or • has a credit rating, assigned by a reputable rating agency, that is the same as or better than the rating assigned by the same agency to the State of Victoria. 	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	(b) Direction 3.7.2.3(a) does not apply where: <ul style="list-style-type: none"> • the investment is cash on hand in a transactional bank account with an Authorised Deposit Taking Institution; • an Agency is operating a bank overdraft as part of its normal transactional banking operations; • amounts invested by an Agency with an Authorised Deposit Taking Institution, do not in aggregate exceed \$2 million, excluding cash on hand in a transactional bank account; • the investment is money, other than money held on trust for the State or a public body, invested pursuant to a statutory function to hold it on trust for a known beneficiary; • the financial arrangement is a foreign currency hedging transaction of less than \$1 million undertaken with an Authorised Deposit Taking Institution; or • the Treasurer has provided a written statement under Direction 1.5(b). 	□	
Instruction 3.7.2.3 Borrowings, investments and financial arrangements	1. Credit rating 1.1 The Responsible Body must ensure the Agency checks the credit rating of financial institutions before transacting. 2. Reporting requirements 2.1 The Responsible Body must ensure the Agency reports all borrowings, investments or financial arrangements outside of TCV and VFMC to the Portfolio Department CFO annually. 2.2 The Portfolio Department CFO must provide details of all borrowings, investments and financial arrangements outside of TCV and VFMC to DTF on request.	□	
Direction 3.7.2.4 Treasury and investment risk management – Financial arrangements – foreign exchange risk	Note: This Direction only applies to Agencies that are authorised to undertake borrowings, investments and other financial arrangements (see Direction 3.7.2.1). (a) Subject to Direction 3.7.2.4(b), where a transaction required to hedge an exposure is: <ul style="list-style-type: none"> • greater than \$1 million, the transaction must be undertaken with Treasury Corporation of Victoria; and • less than \$1 million, and the Responsible Body considers the transaction to be material to the Agency, the transaction must be fully hedged with Treasury Corporation of Victoria or an Authorised Deposit Taking Institution. (b) Direction 3.7.2.4(a) does not apply where: <ul style="list-style-type: none"> • the relevant funds in relation to the foreign currency exposures incurred by the Agency are managed by Victorian Funds Management Corporation (VFMC), or by VFMC acting as trustee of VFMC Trusts on behalf of an Agency; or • the Treasurer has provided a written statement under Direction 1.5(b). 	□	
□		□	

Reference	Requirement	√ / x	Agency notes/comments or N/A
3.8 Pricing			
Direction 3.8 Pricing	The Accountable Officer must ensure that the Agency applies the Victorian Government's <i>Cost Recovery Guidelines</i> . The Guidelines are available on the DTF website. An Agency must assess whether it falls within the scope of these Guidelines.	<input type="checkbox"/>	
3.9 Managing financial information			
Direction 3.9 Managing financial information	The Accountable Officer must ensure that the Agency applies relevant legislation, standards and policies in relation to the management of financial information, including financial information systems.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
4.2 Using and managing public resources			
Direction 4.2.1 Acquisition of assets, goods and services	In relation to the acquisition of assets, goods and services, the Accountable Officer must ensure that the Agency: (a) establishes, maintains and embeds appropriate governance arrangements; (b) is efficient, effective and economical; (c) has appropriate processes in place covering the acquisition lifecycle; (d) as appropriate capability to manage the acquisition throughout the acquisition lifecycle; (e) is able to demonstrate that any financial commitment, obligation or expenditure delivers value for money for the Agency and/or the State; and (f) undertakes investment planning and evaluation of performance when Agency planning has identified the need to acquire significant services, assets or infrastructure.	 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Instruction 4.2.1 Acquisition of assets, goods and services	1. Acquiring goods and services 1.1 When acquiring assets, goods and services, the Accountable Officer must ensure that the Agency: (a) applies relevant legislation, standards, policies and funding arrangements; (b) achieves value for money; (c) understands and engages the market; (d) encourages open and fair competition; (e) supports probity, accountability and transparency; and (f) manages risks appropriately. 2. Acquisition processes 2.1 The Accountable Officer must ensure that the Agency's processes covering the acquisition lifecycle under Direction 4.2.1(d) include: (a) strategic planning; (b) transition planning; and (c) evaluation of acquisitions. 3. Contract management and performance 3.1 The Accountable Officer must ensure the Agency facilitates contract performance, including by: (a) establishing a sound governance framework for effectively managing contracts; (b) securing people with sufficient capability for contract design and management; (c) establishing an effective performance management framework for the contract;	 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	<p>Contract specification</p> <p>(a) defining all contract deliverables in terms of objectives required;</p> <p>(b) including key components of the contract performance regime in the contract;</p> <p>(c) setting parameters around the ownership, sharing of data, and protocols for communication;</p> <p>(d) providing for the Auditor-General to have access to the premises and systems of private sector contractors and subcontractors as necessary under statute;</p> <p>Contract management</p> <p>(a) establishing and implementing effective internal controls to manage contract variations and disputes;</p> <p>(b) regularly monitoring and managing performance; and</p> <p>(c) regularly reporting to the Responsible Body on the Agency's assessment of contractor performance.</p>	<p><input type="checkbox"/></p>	
<p>Direction 4.2.2 Discretionary financial benefits – grants, sponsorships and donations</p>	<p>In relation to discretionary financial benefits, including grants, sponsorships and donations, the Accountable Officer must:</p> <p>(a) ensure that value for money outcomes are maximised;</p> <p>(b) establish effective and efficient administrative controls;</p> <p>(c) apply the Government's Investment principles for discretionary grants; and</p> <p>(d) apply the Victorian Government Sponsorship Policy.</p> <p>Documents (outlining principles) for (c) and (d) are available on the DTF and DPC websites respectively.</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>Direction 4.2.3 Asset management accountability</p>	<p>The Responsible Body must ensure that the Agency applies the Victorian Government's <i>Asset Management Accountability Framework</i> (AMAF).</p> <p>A checklist of mandatory requirements is outlined in Appendix 1 of the AMAF document with the current version available on the DTF Website (AMAF issued February 2016, with minor updates in October 2017). This checklist must be completed by the Agency and any individual compliance deficiencies included within the compliance report submitted to the Portfolio Department.</p>	<p><input type="checkbox"/></p>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
4.3 Budget operations in Portfolio Departments			
Direction 4.3 Budget operations in Portfolio Departments	The Accountable Officer of a Portfolio Department must ensure that the Portfolio Department applies the <i>Budget Operations Framework</i> (BOF) issued by the DTF Deputy Secretary. Mandatory requirements are outlined in the BOF document with the current version on the DTF website (issued March 2016, updated February 2017, effective immediately) and a separate checklist should be completed. Note – this only applies to Portfolio Departments.	<input type="checkbox"/>	
4.4 Financial reporting operations in Portfolio Departments			
Direction 4.4 Financial reporting operations in Portfolio Departments	The Accountable Officer of a Portfolio Department must ensure that the Portfolio Department applies the <i>Financial Reporting Operations Framework</i> (FROF) issued by the DTF Deputy Secretary. Mandatory requirements are outlined in the FROF document with the current version on the DTF website (issued March 2016, updated March 2017, effective 1 July 2017) and a separate checklist should be completed. Note – this only applies to Portfolio Departments.	<input type="checkbox"/>	

5. Compliance and reporting

Reference	Requirement	√ / x	Agency notes/comments or N/A
5.1 Financial management compliance			
Direction 5.1.1 Financial management compliance framework	The Responsible Body must establish a framework for financial management compliance to ensure compliance with: <ul style="list-style-type: none"> (a) the FMA, these Directions and the Instructions; (b) applicable Commonwealth and State laws relating to financial management; and (c) applicable industry codes and standards relating to financial management. 	<input type="checkbox"/>	
Direction 5.1.2 Annual assessment of financial management compliance	<ul style="list-style-type: none"> (a) The Responsible Body must conduct an annual assessment of compliance with all applicable requirements in the FMA, these Directions and the Instructions. (b) The Audit Committee must review the assessment under Direction 5.1.2(a). 	<input type="checkbox"/>	
Direction 5.1.3 Detailed periodic review of financial management compliance	<ul style="list-style-type: none"> (a) The Responsible Body must ensure that the internal audit function conducts a detailed review of the Agency's compliance with all requirements in the FMA, these Directions and the Instructions over the period specified in Direction 5.1.3(b). (b) The period of review under Direction 5.1.3(a) must be the same as the period of the strategic internal audit plan under Direction 3.2.2.2(b). (c) A plan for the review under Direction 5.1.3(a) must be included in the strategic internal audit plan under Direction 3.2.2.2(b). 	<input type="checkbox"/>	
Direction 5.1.4 Financial management compliance attestation	<ul style="list-style-type: none"> (a) The Responsible Body, or a member of the Responsible Body, must, in the Agencies' Annual Report, in relation to the relevant financial year, attest to compliance with applicable requirements in the FMA, these Directions and the Instructions, and disclose all Material Compliance Deficiencies. (b) The compliance attestation under Direction 5.1.4(a) must relate to compliance for the entire period of the relevant financial year. (c) The Audit Committee must review the attestation under Direction 5.1.4(a). 	<input type="checkbox"/>	
Direction 5.1.5 Dealing with Compliance Deficiencies	The Accountable Officer must take remedial action to address, and to mitigate the risk of recurrence of, any Compliance Deficiency as soon as practicable.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 5.1.6 Reporting Material Compliance Deficiencies	(a) The Accountable Officer must notify the Responsible Minister and, for Portfolio Agencies, the Accountable Officer of their Portfolio Department, of any Material Compliance Deficiency, and of planned and completed remedial actions, as soon as practicable.	<input type="checkbox"/>	
	(b) The Accountable Officer of an Independent Office, CSV, JCV and the Judicial Commission must discuss any Material Compliance Deficiency, and planned and completed remedial actions, with the DTF Accountable Officer.	<input type="checkbox"/>	
Direction 5.1.7 Portfolio Departments' reporting to DTF	The Accountable Officer of a Portfolio Department must, at least annually, inform DTF of:		
	(a) all Material Compliance Deficiencies reported to the Accountable Officer by a Portfolio Agency under Direction 5.1.6;	<input type="checkbox"/>	
	(b) all actual or suspected Significant or Systemic Fraud, Corruption or Other Losses reported to the Accountable Officer by a Portfolio Agency under Direction 3.5.3; and	<input type="checkbox"/>	
	(c) strategies of the Portfolio Department to mitigate the risk of future non-compliance by their Portfolio Agencies.	<input type="checkbox"/>	
	(d) The Accountable Officer of a Portfolio Department must meet with the DTF Accountable Officer or DTF Deputy Secretary on their request to discuss compliance performance, including to discuss the matters reported to DTF under Direction 5.1.7(a)-(c).	<input type="checkbox"/>	
Instruction 5.1 Financial management compliance	1. Compliance reporting		
	Portfolio Agency to Portfolio Department (by 15 September) Note – 31 August in 2018		
	1.1 The Accountable Officer of a Portfolio Agency must provide a compliance report to the Portfolio Department by:		
	(a) by 15 September following the year reviewed, if the Agency has an annual reporting period of 1 July to 30 June;	<input type="checkbox"/>	
	(b) by 15 March following the year reviewed, if the Agency has an annual reporting period of 1 January to 31 December; and	<input type="checkbox"/>	
	(c) within 75 days of the final day of the year reviewed for all other Agencies.	<input type="checkbox"/>	
1.2 The compliance report under this Instruction must include relevant information drawn from the annual assessment of financial management compliance under Direction 5.1.2, and the detailed periodic review of financial management undertaken by internal audit under Direction 5.1.3, including on:			
(a) the level of compliance achieved;	<input type="checkbox"/>		
(b) Compliance Deficiencies, including planned and completed remedial actions and timeframes;	<input type="checkbox"/>		

Reference	Requirement	√ / x	Agency notes/comments or N/A
	(c) the significant compliance risks of the Agency; and	<input type="checkbox"/>	
	(d) a summary of the plan for the detailed periodic review of financial management compliance under Direction 5.1.3(c).	<input type="checkbox"/>	
1.3	The Audit Committee must review and approve the compliance report under this Instruction before it is provided to the Portfolio Department.	<input type="checkbox"/>	
Portfolio Department to DTF (by 31 October)			
1.4	Having regard to the reports received under clause 1.1 of this Instruction, Portfolio Departments must provide a portfolio compliance summary to the DTF Deputy Secretary by 31 October following the year reviewed, including:		
	(a) the levels of compliance achieved across the portfolio (including within the Portfolio Department as an Agency, and all Portfolio Agencies);	<input type="checkbox"/>	
	(b) key areas of Compliance Deficiency across the portfolio, including planned and completed remedial actions and timeframes of the Agencies and Portfolio Department; and	<input type="checkbox"/>	
	(c) an assessment of the significant compliance risks facing the portfolio, including key strategies of the Agencies and the Portfolio Department to mitigate these risks.	<input type="checkbox"/>	
DTF to the Minister for Finance (by 15 December)			
1.5	Having regard to the reports received under clause 1.4 of this Instruction, the Accountable Officer of DTF must report to the Minister for Finance on whole of government compliance, compliance risks, and advice on proposed strategies to improve compliance by 15 December following the year reviewed.	<input type="checkbox"/>	
2. Financial management compliance attestation in Annual Report			
2.1	The financial management compliance attestation under Direction 5.1.4 must:		
	(a) where the Agency has not identified a Material Compliance Deficiency that occurred during the relevant year, attest that the Agency has complied with the applicable Directions and Instructions, in the form set out in clause 2.2(a) of this Instruction; and	<input type="checkbox"/>	
	(b) where the Agency has identified a Material Compliance Deficiency that occurred during the relevant year:		
	– attest that the Agency has complied with the applicable Directions and Instructions, except for the Material Compliance Deficiency;	<input type="checkbox"/>	
	– disclose the reasons for each Material Compliance Deficiency; and	<input type="checkbox"/>	
	– disclose planned and completed remedial actions for each Material Compliance Deficiency, in the form set out in clause 2.2(b) of Instruction 5.1.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
2.2	<p>The Responsible Body's compliance attestation under Direction 5.1.4 must appear in the Annual Report in the following form. [Name of the Agency] Financial Management Compliance Attestation Statement</p> <p>(a) [Where the Agency has not identified a Material Compliance Deficiency in relation to the relevant year:]</p> <p>I [name of member of the Responsible Body], on behalf of the Responsible Body, certify that the [name of the Agency] has complied with the applicable Standing Directions of the Minister for Finance under the <i>Financial Management Act 1994</i> and Instructions.</p> <p>(b) [Where the Agency has identified a Material Compliance Deficiency in relation to the relevant year:]</p> <p>I [name of member of the Responsible Body], on behalf of the Responsible Body, certify that the [name of Agency] has complied with the applicable Standing Directions of the Minister for Finance under the <i>Financial Management Act 1994</i> and Instructions except for the following Material Compliance Deficiencies:</p> <ul style="list-style-type: none"> [Insert reference to relevant Direction, e.g. Direction 3.2.1.2(b)] [Insert brief summary of the reasons for/circumstances of the Material Compliance Deficiency]. [Insert details of planned an completed remedial actions]. 	<input type="checkbox"/>	
2.3	<p>Agencies with an annual reporting period that is not 1 July until 30 June must:</p> <p>(a) provide their first attestation under Direction 5.1.4 to cover the period from 1 July 2017 to balance date in the relevant Annual Report; and</p> <p>(b) in all subsequent years, attest to compliance under Direction 5.1.4 for the Agency's relevant financial year.</p>	<input type="checkbox"/>	
2.4	<p>In relation to Direction 4.2.3, the attestation in the 2017-18 Annual Report must relate to compliance, and disclose Material Compliance Deficiencies, as at 30 June 2018.</p>	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
	3. DTF assurance program		
3.1	The DTF Accountable Officer may conduct a targeted assurance program on either Agency specific or portfolio-wide issues as part of monitoring the effectiveness of the whole of state financial management framework.	<input type="checkbox"/>	
3.2	If requested by DTF to participate in the assurance program, the Agency's Accountable Officer must support the assurance program by providing all relevant information to DTF and/or its delegate.	<input type="checkbox"/>	
	4. Transitional requirements for 2015-16 <u>(no longer applicable)</u>		
	5. Transitional arrangements for 2016-17 compliance year <u>(The following requirements are only applicable to 31 December reporting date Agencies for the 2017 year or all Agencies without a qualified CFO as at 1 July 2016).</u>		
5.1	In relation to the 2016-17 financial year, the compliance report provided to the Portfolio Department under clause 1.1 of this Instruction must also include: <ul style="list-style-type: none"> progress update on actions taken by the Agency to prepare for commencement of transitional Directions under Direction 1.4. 	<input type="checkbox"/>	
5.2	In relation to the 2016-17 financial year, the Responsible Body must include a statement of attestation in the Agency's Annual Report that the Agency has complied with the mandatory requirements of the <i>Victorian Government Risk Management Framework</i> under Direction 3.7.1 of the Standing Directions 2003.	<input type="checkbox"/>	
5.2 Annual reporting			
Direction 5.2.1 Requirements	(a) The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, these Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	<input type="checkbox"/>	
	(b) A Portfolio Department must apply the <i>Model Financial Report for Government Departments</i> .	<input type="checkbox"/>	
	(c) An Agency must publish its Annual Report on the Agency's or their Portfolio Department's public website.	<input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 5.2.2 Declaration in financial statements	<p>(a) An Agency's financial statements must include a signed and dated declaration by:</p> <ul style="list-style-type: none"> the Accountable Officer; subject to Direction 5.2.2(c), the CFO; and for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. <p>(b) The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons:</p> <ul style="list-style-type: none"> the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. <p>(c) If an Agency's CFO (including an acting CFO) does not have expertise and qualifications in compliance with Direction 2.4.5(a), or if an Agency does not have a CFO:</p> <ul style="list-style-type: none"> the CFO must not sign financial statements; and the Accountable Officer must ensure that the financial statements are instead signed by a person with the expertise and qualifications required under Direction 2.4.5(a). 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Direction 5.2.3 Declaration in report of operations	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	<input type="checkbox"/>	
5.3 External reporting and information provision			
Direction 5.3.1 Agency reporting and information provision	<p>The Accountable Officer must provide financial and financial related information:</p> <p>(a) requested by their Portfolio Department to support advice to the Responsible Minister;</p> <p>(b) requested by DTF to facilitate reporting and Government decision making, within the time provided in the request; and</p> <p>(c) relevant to the Portfolio Department and/or DTF on:</p> <ul style="list-style-type: none"> any significant foreseeable issues that may affect Government decision making and/or the Agency's or the State's financial management, performance, sustainability or reputation as soon as practicable; and any significant issues that have affected the Agency or the State's financial management, performance, sustainability or reputation as soon as practicable. <p>(d) Information provided by the Accountable Officer under this Direction must be relevant, of sufficient quality, and provided in a timely manner.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Reference	Requirement	√ / x	Agency notes/comments or N/A
Direction 5.3.2 Additional reporting for Controlled Entities	Portfolio Agencies that are Controlled Entities must prepare and submit to their Portfolio Department and DTF, in a timely manner: (a) robust estimates for the budget year and forward estimates period that fairly present the estimated financial impacts of the Portfolio Agency's activities for the period, within reasonable time for portfolio consolidation; and (b) regular actuals based financial and performance reports that fairly present the Portfolio Agency's activities for the relevant period.	<input type="checkbox"/> <input type="checkbox"/>	
Direction 5.3.3 Portfolio department to report material issues to DTF	The Accountable Officer of a Portfolio Department must: (a) notify the DTF Accountable Officer, as soon as practicable, of any material issues within the Department or a Portfolio Agency that may affect the State's financial management, performance, sustainability or reputation; and (b) provide the DTF Accountable Officer with relevant reports, documents and other information to support a notification under this Direction.	<input type="checkbox"/> <input type="checkbox"/>	

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