

Financial Management Compliance Report

Template instructions for the 2025-26 reporting period

1. Legislative compliance reporting and attestation requirements

Direction 5.1.2 of Standing Directions 2018 under the *Financial Management Act 1994* (the Directions) requires agencies to conduct an annual assessment of compliance with all applicable requirements in the FMA, the Directions, the Instructions and all relevant mandatory Framework requirements. Direction 5.1.3 also requires the Internal Audit function to conduct a detailed review of the agency's compliance over the period specified in their strategic internal audit plan under Direction 3.2.2.2(b).

Instruction 5.1, Clause 1.1 requires portfolio agencies to annually provide a **compliance report** to their portfolio department (**see section 4** below).

Instruction 5.1 Clause 1.2 requires this compliance report to 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 the Internal Audit under Direction 5.1.3, on:

- the level of compliance achieved
- Compliance Deficiencies, including planned and completed remedial actions and timeframes
- the significant compliance risks of the agency
- a summary of the plan for the detailed period review of financial management compliance under Direction 5.1.3(c).

These are covered in **sections 1–4** of the attached template.

Direction 5.1.6 and Direction 3.5.3 require notification of Material Compliance Deficiencies and significant and systemic Fraud Corruption and Other Losses to relevant parties, as soon as practicable, when the agency becomes aware. For completeness, please type 'no' if a nil response (**section 5** of template).

A progress update on actions taken by the agency to prepare for the commencement of transitional Directions under Direction 1.4¹ (**section 6** of template). This section now only applies to those Agencies still transitioning to the Central Banking System for the first time under the **new** State Purchasing Contract (SPC) for Banking and Financial Services (which commenced in **October 2021**).

The Audit Committee must review and approve the compliance report before it is provided to the portfolio department under Instruction 5.1, Clause 1.3 (**section 7** of template).

A summary table of the compliance assessment, review and reporting requirements is on page 5.

The requirement for an agency's responsible body to attest to compliance in their annual report (Direction 5.1.4) first commenced in the 2017-18 financial year. The prescribed form is set out in the latest version of Instruction 5.1, Clause 2.2 and the 2025-26 Model Financial Report (to be issued on the DTF website in first half of 2026). The annual report attestation is in addition to this compliance report provided to portfolio departments (see Section 5 **Annual report attestation** below).

2. Compliance reporting deadlines for 2025-26

The due dates for providing the Compliance Report depends on an agency's annual reporting period:

- for agencies with an annual reporting period of 1 July to 30 June, it is due by **15 September** following the financial year reviewed
- for agencies with an annual reporting period of 1 January to 31 December it is due by **15 March** following the calendar year reviewed.

The compliance report covers all applicable Directions and Instructions for the entire reporting period, including frameworks on asset management accountability, public construction accountability and risk management framework and processes. Please note these frameworks have mandatory requirements within their respective documents that need to be considered individually. For example, the Asset Management Accountability Framework (AMAF) requirements are listed in Appendix 1 of the AMAF document.

PLEASE NOTE: The Excel Compliance Attestation checklist on the [DTF website](#) has separate tabs for all the relevant frameworks/policies that details each mandatory requirement and reference numbers. On request, agencies should provide their current year Excel spreadsheet checklist to their portfolio department to support all the reported compliance deficiency information in section 2 of the template and portfolio level reporting of deficiencies to DTF.

¹Transitional arrangements under SD 1.4.1 are currently in place in respect to, SPC Arrangements, and Central Banking System and Eligible Financial Assets (SDs 3.7.2.1 and 3.7.2.2).

3. General instructions for completing the compliance report

Please undertake the following:	Done (Yes/No)
Delete the instruction and summary pages and sample template when finalising the report.	Yes
Do not delete any sections in the report and include N/A or Nil response as necessary.	Yes
Add rows in template tables where required.	Yes
An Audit Committee meeting or an out of session review be scheduled before the report is endorsed and submitted to the portfolio department by the due date.	Yes
The report be attached to a covering letter signed by the Agency Accountable Officer and addressed to the Department Secretary with the relevant Portfolio Compliance Manager copied in.	Yes

4. Compliance Report template

The **Compliance Report template** (Page 14) has been developed to assist portfolio agencies in reporting to their portfolio departments for 2025-26. The blank template should be used by the agency for completing the compliance report. The template should only be adjusted if necessary. A **template sample covering letter** is also attached on Page 19.

The **sample populated template** (page 6), includes examples in coloured italics (**red**) in the relevant tables, indicating the level of detail required when reporting.

PLEASE NOTE: specific emphasis should be put on identifying and reporting the specific aspects of compliance deficiency within the larger mandated frameworks e.g. the Public Construction Ministerial Directions and Instructions or AMAF requirements at the Direction/Instruction or Framework reference number level (see section 2 of the sample report template for examples).

5. Annual report attestation

The Standing Directions (SD 5.1.4) require formal attestation statements in agency annual reports. For all agencies only one attestation disclosure is required within the 2025-26 annual report. **Note:** for agencies, subject to the Standing Directions, and consolidated within a larger agency annual report, e.g. a portfolio department, a separate attestation is required.

PLEASE NOTE: the standard wording for the attestation statement was amended for the 2019-20 year onwards (see Instruction 5.1 Clause 2.2) to make what is being attested (material compliance deficiencies only) clearer. This applies to all annual reports prepared after 30 June 2020.

30 June 2026 reporting date Agencies

For the period 1 July 2025 to 30 June 2026 – agencies must complete a full year attestation statement (**for the entire period of the relevant year**) in relation to all applicable Directions and Instructions as required and in the form prescribed by Instruction 5.1, Clause 2.2. The latest version of Instructions can be found on the [DTF website](#).

31 December 2026 reporting date Agencies

For the period 1 January 2026 to 31 December 2026 – Agencies must complete a full year attestation statement (**for the entire period of the relevant year**) in relation to all applicable Directions and Instructions as required and in the form prescribed by Instruction 5.1, Clause 2.2. The latest version of Instructions can be found on the [DTF website](#).

Summary of compliance assessment, review and reporting requirement

Agencies and departments	<ul style="list-style-type: none"> • Conduct an annual assessment of compliance (SD 5.1.2 (a)). The Audit Committee reviews the assessment (SD 5.1.2 (b)) and monitors remedial actions (SD 3.2.1.1 (f)). • Detailed periodic review of agency compliance by internal audit (SD 5.1.3). • Provide the compliance report to the portfolio department by due date (normally 15 September for June 30 balance date agencies but 31 August in 2018) (Instruction 5.1, Clause 1.1), including relevant information from the annual compliance assessment and internal audit review (Instruction 5.1, Clause 1.2). • Complete one combined annual report attestation from 2017–18[#] (SD 5.1.4). • Complete a progress update on transitional provisions, if applicable (Instruction 5.1, Clauses 5.2 (b) and 5.3 (b)). <p>[#] Note a separate risk management and insurance attestation against the requirements in the VGRMF is no longer required.</p>
Portfolio Departments	<ul style="list-style-type: none"> • Provide a portfolio compliance summary to DTF Deputy Secretary, Budget and Finance by 31 October (SD 5.1.4), including how levels of compliance are achieved, areas of compliance deficiencies and an assessment and strategies to treat significant compliance risks (Instruction 5.1, Clause 1.4).* • At least annually, report to the DTF Deputy Secretary, Budget and Finance outlining across the whole portfolio (including the Department) all: <ul style="list-style-type: none"> – Material Compliance Deficiencies (SD 5.1.6) – all actual or suspected significant or systemic Fraud, Corruption or Other Losses (SD 3.5.3) – strategies to mitigate the risk of non-compliance across the portfolio (SD 5.1.7). • Brief portfolio ministers as required. <p>* Departments should also report to DTF as an individual agency (Instruction 5.1, Clauses 1.4 and 5.3). See Part 1 of Portfolio reporting template.</p>
DTF	<ul style="list-style-type: none"> • Report to the Minister for Finance on whole of government compliance, compliance risk and advice on proposed strategies to improve compliance by 15 February following the year reviewed (Instruction 5.1, Clause 1.5). • Provide whole of Victorian Government compliance feedback to portfolio departments and agencies.

Sample Financial Management Compliance Report

(Examples in red)

For the financial year ending **30 June 2026**

Portfolio agency: **Victorian Data Authority**

Portfolio department: **Technology and Innovation**

Section 1: Process undertaken to achieve level of compliance (Instruction 5.1 Clause 1.2(a))

In accordance with the Directions and Instructions the following has been achieved for the compliance year:	Yes/No
An annual assessment of compliance has been completed.	Yes
The Audit Committee has reviewed the assessment.	Yes
A detailed periodic review (see Section 4) has been undertaken by the Internal Audit (IA) function.	Yes
Compliance for each mandatory requirement is being effectively managed.	Yes
Any unacceptable risk relating to these requirements has been treated appropriately.	Yes
Compliance with all applicable requirements has been achieved, with the exception of those items identified in Section 2.	Yes
The Audit Committee has reviewed and monitored remedial actions taken to address Compliance Deficiencies.	Yes
The attestation statement for the compliance year, to be included in the annual report, has been completed by Ms Joanna Smith, Board Chair on behalf of Victorian Data Authority in the prescribed form.	Yes
The Audit Committee has reviewed the attestation made by the responsible body.	Yes

Additional comments (if required, for example where a process has not been undertaken):

Section 2: All Compliance Deficiencies, including planned and completed remedial actions and timeframes (Instruction 5.1, Clause 1.2(b))

In the following table **detail all** compliance deficiencies² identified in the current compliance year, including whether the deficiency is material,³ as well as the planned and completed remedial actions and timeframes. **Please note:** If requested, agencies should provide their current year Excel spreadsheet Compliance Attestation checklist (available on the [DTF website](#)) to their portfolio department to support the information in this section.

IMPORTANT: Please include the relevant Direction, Instruction and Framework mandatory requirement number, clause reference and name (as applicable) in Column 1. Multiple deficiencies can be listed for frameworks and other legislative requirements, e.g. where applicable highlight the individual AMAF reference number or the Public Construction Direction or Instruction number and the relevant deficiency etc. (see examples below).

Direction, Instruction or Framework reference No. and name/title of the specific requirement	Details of the Compliance Deficiency (and if Material why)	Material Compliance Deficiency (Yes/No)?	Remedial actions and timeframes (planned and completed)
Instruction 3.4 – Internal control system, clauses 2.1(b) – Cash and 4.1 – Managing cash	A policy relating to Cash handling was not finalised and implemented for the whole compliance year	No	A policy was drafted and finalised in May 20XX and disseminated to relevant staff in June 20XX
Direction 3.5.1 – Fraud, Corruption and Other Losses, clause (b) – Policy on prevention and management	No policy for FC&OL prevention and management was developed or in place during the compliance period	Yes	A policy will be drafted and implemented during the 20XX year
Direction 4.2.3 – Asset management accountability – AMAF Ref No. 3.2.2 – Asset management strategy	The asset management strategy is still being developed	No	The strategy will be finalised and implemented by December 20XX

² A 'Compliance Deficiency' means an attribute, condition, action, or omission that is not fully compliant with an applicable requirement in the FMA, Standing Directions and/or Instructions. **Fully compliant means that there was no period during the relevant financial year in which there was non-compliance with respect to an applicable requirement in the FMA, Standing Directions and/or Instructions.**

³ A 'Material Compliance Deficiency' means 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.

Direction, Instruction or Framework reference No. and name/title of the specific requirement	Details of the Compliance Deficiency (and if Material why)	Material Compliance Deficiency (Yes/No)?	Remedial actions and timeframes (planned and completed)
Direction 4.2.3 – Asset management accountability – AMAF Ref No. 3.4.3 – Information management	An appropriate asset information management system (AIMS) is still being developed	No	Documenting and refining core rules for an updated AIMS is underway. Implementation expected to be complete by February 20XX
Direction 4.2.4 – Public construction accountability Ministerial Direction (MD) No. 3.7.1 – Evaluation plan	Tender evaluation plans were not finalised before tender close date	No	All tender evaluation plans from July 20XX to be finalised before the tender closing date
Direction 4.2.4 – Public construction accountability Instruction No. 3.7.2 – Disclosure of evaluation criteria	The relative importance or weighting of evaluation criteria was not disclosed in the tender documentation	No	All tender documentation evaluation criteria will include importance weightings from July 20XX
Direction 4.2.4 – Public construction accountability All Ministerial Directions and Instructions	The agency does not have a systemic or coordinated approach to support staff through a single business unit or systematic mechanisms to report on compliance	Yes	By March 20XX, establish a dedicated business unit responsible for developing a training program and systematising the agency's approach to public construction accountability

Section 3: The significant compliance risks facing the Agency (Instruction 5.1, Clause 1.2(c))

In the following table **identify and detail**, if applicable, key areas of the Directions and Instructions that represent a significant compliance risk to the agency, why they are significant and the strategies to manage the risk. A significant compliance risk has the potential for both financial and/or reputational loss due to failure to comply with the Directions and Instructions. A significant compliance risk is not necessarily a deficiency (which is an actual instance of non-compliance), however, compliance deficiencies may be an indicator of a compliance risk. **Significant compliance risks should be discussed with the Audit Committee and Internal Audit to inform the type and frequency of detailed periodic reviews (Direction 5.1.3) or other targeted assessments.**

Significant compliance risks (Direction or Instruction area)	Why the risk represents a significant risk to the Agency	Key strategies to ensure these significant risks are being managed effectively
Direction 4.2.3 – Asset management accountability	The agency has a high number of operational assets requiring regular maintenance to ensure customer service delivery is not significantly impacted by an outage.	The agency has effectively operating asset strategies, plans and performance monitoring systems in place to reduce or prevent service disruptions due to inadequate functioning of assets.
Direction and Instruction 3.7.1 – Business continuity planning (BCP)	A major business disruption would significantly impact on the Agency’s suppliers and clients.	The agency has implemented and regularly communicates and tests BCP and IT Disaster Recovery processes with staff.
Direction and Instruction 3.6 – Purchasing and pre-paid debit cards	The Agency has a high number of purchasing card (PC) users for the efficient payment of accounts in regional offices.	Staff with a purchasing card receive annual refresher training on policy and processes and IA review sample PC transactions compliance yearly.

Section 4: Detailed periodic review of financial management compliance

(Direction 5.1.3(c) and Instruction 5.1, Clause 1.2(d))

Complete the following table with the requirements that were reviewed by Internal Audit in this current compliance year and are planned to be reviewed in the next compliance year as part of the periodic detailed compliance review program under Direction 5.1.3(c) (Instruction 5.1, Clause 1.2(d)).

NOTE: This section only requires coverage of activity relating to the FMA Standing Directions and Instructions, **not** other areas outside this scope. The following provides an example of the minimum level of detail required. However, more specific details can be included as necessary.

2025-26 (Internal audit reviews undertaken in current compliance year)	2026-27 (Internal audit reviews currently planned for next compliance year)
Direction 2.5 – Delegations of responsibilities	Direction 3.1 – Effective financial governance
Direction/Instruction 3.4 – Internal control system (covering revenue, cash, bank accounts, expenditure, and payroll)	Direction/Instruction – 3.5 Fraud, Corruption and Other Losses
Direction 4.2.3 – Asset management accountability	Direction 4.1 – Planning and managing performance
Direction/Instruction 5.1 – Financial management compliance	Direction/Instruction 3.7 – Managing risks – Business continuity planning
Direction/Instruction 3.6 – Purchasing and prepaid debit cards (reviewed annually as a high compliance risk – see Section 3)	Direction/Instruction 3.6 – Purchasing and prepaid debit cards (reviewed annually as a high compliance risk – see Section 3)

Section 5: Ad hoc agency notifications required by Directions 5.1.6 and Direction 3.5.3

(a) Notification of any Material Compliance Deficiencies

Direction 5.1.6 – The Accountable Officer must notify the Responsible (Portfolio) Minister and, for portfolio agencies, the Accountable Officer of their Portfolio Department (Secretary), of any Material Compliance Deficiency, **and** of planned and completed remedial action **as soon as practicable**.

Has your Agency notified any Material Compliance Deficiencies to the Portfolio Minister and Department Secretary during the compliance year?

Yes Please provide details of any Material Compliance Deficiencies notified and remedial actions taken in the table below.

No Please go to Section 5 (b).

Direction, Instruction or Framework reference No. and name/title of specific requirement.	Date have notified or will notify Portfolio Minister/ Department Secretary	Material Compliance Deficiency details	Planned and completed remedial actions by Agency
Direction 3.5.1 – Fraud, Corruption and Other Losses (FC&OL), clause (b) – policy on prevention and management	Notified Minister of Innovation and Secretary, Department of Innovation and Technology on 20 May 20XX.	No policy for FC&OL prevention and management has been developed or in place during the entire compliance 20XX year.	A policy will be drafted and implemented across the agency in the 20XX year.
Direction 4.2.4 – Public construction accountability All Ministerial Directions and Instructions	Notified Minister of Innovation and Secretary, Department of Innovation and Technology on 21 November.	The agency does not have a systemic or coordinated approach to support staff through a single business unit or systematic mechanisms to report on compliance.	By March 20XX, establish a dedicated business unit responsible for developing a training program and systematising the agency's approach to public construction accountability.

(b) Notification of all actual or suspected Significant or Systemic Fraud, Corruption or Other Losses incidents during the compliance year

Direction 3.5.3 – Where an agency is made aware of an actual or suspected Significant or Systemic⁴ Fraud, Corruption or Other Loss, the Accountable Officer must:

- notify, as soon as is practicable, the Responsible (Portfolio) Minister, Audit Committee, portfolio department and Auditor-General of the incident and remedial action to be taken
- ensure that the persons notified are kept informed about the incident, including the outcome of investigations
- ensure that the Agency takes appropriate action to mitigate against future Fraud, Corruption and Other Losses.

Has your Agency notified any significant or systemic incidents to the relevant parties above during the compliance year?

Yes	Please provide details of any significant or systemic incidents notified and remedial actions taken in the table below.
No	Please go to Section 6.

SPECIFY AGENCY DOLLAR THRESHOLD FOR SIGNIFICANT OR SYSTEMIC INCIDENTS

Money **\$5,000**

Property **\$50,000**

Relevant Direction or Instruction Name and No. (if applicable) or incident title	Date notified or will notify the Responsible Portfolio Minister and other parties	Date and details of actual or suspected Significant or Systemic Fraud, Corruption or Other Losses	Progress or outcome of investigation and action to mitigate against future Fraud, Corruption or Other Losses by Agency
Instruction 3.4 – Internal Control System, Clause 5 Managing Expenditure	5 February 20XX	On 4 January 20XX, a fraudulent change of supplier banking details and false invoices was instigated by an external party, resulting in a money loss of \$10,550.	Incident reported to police on 10 January after initial internal review and currently still under police investigation. Accounts payable internal controls strengthened with assistance of the Peoples Bank to mitigate future risk.

⁴‘Significant or Systemic’ is defined in the Direction 1.6 and Instructions 3.5 and 3.6 also require Agencies to define value thresholds for ‘significance’ in relation to Fraud, Corruption and Other Losses, and in relation to purchasing and prepaid debit cards, respectively.

Section 6: Progress update on actions taken by the Agency to prepare for commencement of transitional Directions, if applicable (Direction 1.4)

For Directions that are subject to transitional arrangements, of which Agencies are not already compliant with as at the relevant date, the following provides an update on the progress to prepare for commencement.

Note: This section is only applicable for agencies (see SD 1.4.1) transitioning to the Central Banking System for the first time under the **new** Banking and Financial Services State Purchase Contract (SPC) arrangements (which commenced in **October 2021**). See Directions 3.7.2.1 and 2.

Applicable	Please provide details in the table below.
Not Applicable	Please go to Section 7

Transitional Direction	Actions taken in current YTD (2025-26)	Actions to be taken next YTD (2026-27)
Direction 3.7.2.1 – SPC arrangements and	N/A	N/A
Direction 3.7.2.2 - Central Banking System and Eligible Financial Assets (see Transitional SD 1.4.1)	N/A	N/A

Section 7: Review and approval by the Audit Committee (Instruction 5.1, Clause 1.3)

The **Victorian Data Authority** Audit Committee **or** (Responsible Body, where an audit committee exemption has been provided) has reviewed and approved the **20XX-XX** compliance report.

Signed

Aldo Wright
Chair of Audit Committee
XX August 20XX

Financial Management Compliance Report

for the financial year ending **[INSERT DATE/YEAR]**

Portfolio Agency: **[INSERT YOUR PORTFOLIO AGENCY NAME]**

Portfolio Department: **[INSERT YOUR PORTFOLIO DEPARTMENT NAME]**

Section 1: Process undertaken to achieve level of compliance (Instruction 5.1 Clause 1.2(a))

In accordance with the Directions and Instructions the following has been achieved for the compliance year :	Yes/No
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An annual assessment of compliance has been completed.	
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The Audit Committee has reviewed the assessment.	
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A detailed periodic review (see Section 4) has been undertaken by the Internal Audit function.	
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Compliance for each mandatory requirement is being effectively managed.	
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Any unacceptable risk relating to these requirements has been treated appropriately.	
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Compliance with all applicable requirements has been achieved, with the exception of those items identified in Section 2.	
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The Audit Committee has reviewed and monitored remedial actions taken to address Compliance Deficiencies.	
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The attestation statement for the compliance year, to be included in the annual report, has been completed by [Name of member of the Responsible Body and position] on behalf of [Name of the Agency/Responsible Body] in the prescribed form.	
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The Audit Committee has reviewed the attestation made by the responsible body.	
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Additional comments (if required, for example where a process has not been undertaken):

Section 2: All Compliance Deficiencies, including planned and completed remedial actions and timeframes (Instruction 5.1, Clause 1.2(b))

In the following table **detail all** compliance deficiencies⁵ identified in the current compliance year, whether the deficiency is material,⁶ and the planned and completed remedial actions and their timeframes. **Please note:** If requested, agencies should provide their current year Excel spreadsheet Compliance Attestation checklist (available on [DTF website](#)) to their portfolio department to support the information in this section.

IMPORTANT: Please include the relevant Direction, Instruction and Framework mandatory requirement number, clause reference and name (as applicable) in column 1. Multiple deficiencies can be listed for mandated frameworks e.g. where applicable, highlight individual AMAF reference or Public Construction Direction or Instruction number and the deficiency etc.

Direction, Instruction or Framework reference number and name/title of the specific requirement	Details of the Compliance Deficiency (and if Material why)	Material Compliance Deficiency? (Yes/No)	Planned and completed remedial actions and timeframes
[Insert ref number and details]	[Insert details]	[Yes/No]	[Insert details and dates]

Section 3: The significant compliance risks facing the agency (Instruction 5.1, Clause 1.2(c))

In the following table **identify and detail**, if applicable, key areas of the Directions and Instructions that represent a significant compliance risk to the agency, why significant and the strategies to manage the risk. A significant compliance risk has the **potential** for both financial and/or reputational loss due to failure to comply with the Directions and Instructions. A significant compliance risk is not necessarily a deficiency (which is an actual instance of non-compliance), however, compliance deficiencies may be an indicator of a compliance risk. **Significant compliance risks should be discussed with the Audit Committee and Internal Audit to inform the type and frequency of detailed periodic reviews (Direction 5.1.3) or other targeted assessments.**

⁵ A 'Compliance Deficiency' means an attribute, condition, action, or omission that is not fully compliant with an applicable requirement in the FMA, Standing Directions and/or Instructions. **Fully compliant means that there was no period during the relevant financial year in which there was non-compliance with respect to an applicable requirement in the FMA, Standing Directions and/or Instructions.**

⁶ A 'Material Compliance Deficiency' means 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.

Significant compliance risks (Direction or Instruction area)	Why the risk represents a significant risk to the agency	Key strategies to ensure these significant risks are being managed effectively
[Insert details]	[Insert details]	[Insert details]

Section 4: Detailed periodic review of financial management compliance (Direction 5.1.3(c) and Instruction 5.1, Clause 1.2(d))

Complete the following table with the requirements that were reviewed by Internal Audit in this current compliance year and are planned to be reviewed in the next compliance year as part of the periodic detailed compliance review program under Direction 5.1.3(c) (Instruction 5.1, Clause 1.2(d)).

NOTE: This section only requires coverage of activity relating to the FMA Standing Directions and Instructions, **not** other areas outside this scope. The Direction area (number and title) is the minimum level of detail required, however, more specific details can be included as necessary.

{Insert current year} (Internal audit reviews undertaken in current compliance year)	{Insert next year} (Internal audit reviews currently planned for next compliance year)
[Insert details]	[Insert details]

Section 5: Ad hoc Agency notifications required by Directions 5.1.6 and Direction 3.5.3

(a) Notification of any Material Compliance Deficiencies

Direction 5.1.6 – The accountable officer must notify the responsible (portfolio) Minister and, for portfolio agencies, the accountable officer of their portfolio department (Secretary), of any Material Compliance Deficiency, **and** of planned and completed remedial action **as soon as practicable**.

Has your agency notified any Material Compliance Deficiencies to the Portfolio Minister and Department Secretary during the compliance year?

Yes	Please provide details of any Material Compliance Deficiencies notified and remedial actions taken in the table below.
No	Please go to Section 5 (b).

Direction, Instruction or Framework reference number and name/title of specific requirement.	Date have notified or will notify Portfolio Minister/ Department Secretary	Material Compliance Deficiency details	Planned and completed remedial actions by agency
[Insert reference number, and details, if applicable]	[Insert date]	[Insert details]	[Insert details, and dates if applicable]

(b) Notification of all actual or suspected Significant or Systemic Fraud, Corruption or Other Losses incidents during the compliance year

Direction 3.5.3 – Where an agency is made aware of an actual or suspected Significant or Systemic⁷ Fraud, Corruption or Other Loss, the accountable officer must:

- notify, as soon as is practicable, the responsible (portfolio) Minister, Audit Committee, portfolio department and Auditor-General of the incident and remedial action to be taken
- ensure that the persons notified are kept informed about the incident, including the outcome of investigations
- ensure that the agency takes appropriate action to mitigate against future Fraud, Corruption and Other Losses.

Has your agency notified any significant or systemic incidents to the relevant parties above during the compliance year?

Yes	Please provide details of any significant or systemic incidents notified and remedial actions taken in the table below.
No	Please go to Section 6.

SPECIFY AGENCY DOLLAR THRESHOLD FOR SIGNIFICANT OR SYSTEMIC INCIDENTS

Money [Add \$ threshold]	Property [Add \$ threshold]
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Relevant Direction or Instruction Name and number (if applicable) or incident title	Date notified or will notify the responsible portfolio Minister and other relevant parties	Date and details of actual or suspected Significant or Systemic Fraud, Corruption or Other Losses	Progress or outcome of investigation and action to mitigate against future Fraud, Corruption or Other Losses by Agency
[Insert reference number and details, if applicable]	[Insert date]	[Insert date and details]	[Insert details, and dates if applicable]

⁷ 'Significant or Systemic' is defined in the Direction 1.6 and Instructions 3.5 and 3.6 also require agencies to define value thresholds for 'significance' in relation to Fraud, Corruption and Other Losses, and in relation to purchasing and prepaid debit cards, respectively.

Section 6: Progress update on actions taken by the agency to prepare for commencement of transitional Directions, if applicable (Direction 1.4)

For Directions that are subject to transitional arrangements, of which agencies are not already compliant with as at the relevant date, the following provides an update on the progress to prepare for commencement.

Note: This section is only applicable for agencies (SD 1.4.1) still transitioning to the Central Banking System for the first time under the **new** Banking and Financial Services State Purchase Contract (SPC) arrangements (which commenced in **October 2021**). See Directions 3.7.2.1 and 3.7.2.2.

Applicable	Please provide details in the table below.
Not Applicable	Please go to Section 7

Transitional Direction	Actions taken in current YTD (insert year)	Actions to be taken next YTD (insert year)
Direction 3.7.2.1 - SPC arrangements and Direction 3.7.2.2 - Central Banking System and Eligible Financial Assets (see Transitional SD 1.4.1)	[Insert details]	[Insert details]

Section 7: Review and approval by the Audit Committee (Instruction 5.1, Clause 1.3)

The [Insert name of Agency] Audit Committee **or** Responsible Body (where an audit committee exemption has been provided) has reviewed and approved the [Year] compliance report.

Signed

[Insert Name]

[Insert title e.g. Chair/Member of Audit Committee/Responsible Body]

[Insert Date]

Template covering letter to Financial Management Compliance Report

[INSERT LETTERHEAD]

[Insert date]

[Insert Secretary's full name]

Secretary

[Insert Department name]

[Insert address]

MELBOURNE VIC 3000/1/2

Dear [Insert title and surname]

Financial management compliance report [Insert financial year]

In accordance with Direction 5.1.2 of the Standing Directions 2018 under the *Financial Management Act 1994* (FMA) (the Directions) an annual assessment of compliance with all applicable requirements in the FMA, the Directions and accompanying Instructions has been conducted for the [Insert] financial year.

I can confirm that the attached compliance report has been reviewed and approved by the [Insert name of committee] in accordance with Instruction 5.1, Clause 1.3 and is now submitted for your attention.

Yours sincerely

[Insert Accountable Officer name]

[Insert Position title]

[Insert Portfolio Agency name]

CC

[Insert Portfolio Department Compliance Officer name]

[Insert Position title]

[Insert Department name]

Note:

Letter must be addressed to the Department Secretary and cc'ed to the Department Portfolio Compliance Manager.