

| Worksheet | Certificate of Compliance Document  | Number of Defence Applicable Requirements (sections, regulations, paragraphs) | Assessed likelihood (risk) of non compliance |           |           |
|-----------|---|---|--|-----------|-----------|
|           |   |   | High   | Medium    | Low       |
| 1         | FMA Act 1997  | 17  | 10   | 4         | 3         |
| 2         | FMA Regulations 1997  | 8   | 6  | 1         | 1         |
| 3         | FMA Orders 2005   | 1   | 0  | 0         | 1         |
| 4         | Australian Government's foreign exchange risk management requirements (Guidelines for the Management of Foreign Exchange Risk)              | 8   | 0  | 0         | 8         |
| 5         | Australian Government Competitive Neutrality Guidelines for Managers  | 4   | 0  | 0         | 4         |
| 6         | Australian Government Cost Recovery Guidelines  | 9   | 0  | 2         | 7         |
| 7         | Contingent liabilities as articulated in the Guidelines for Issuing and Managing Indemnities, Warranties, Guarantees and Letters of Comfort | 8   | 2  | 6         | 0         |
|           | <b>Total</b>  | <b>55</b>   | <b>18</b>                                    | <b>13</b> | <b>24</b> |
| 13        | Financial Sustainability  |   |  |           |           |
|           |   |   |  |           |           |
|           | <b>Duplicate requirements removed</b>   |   |  |           |           |
|           | FMA Orders 2.3  |   |  |           |           |
|           | FMA Orders 2.5.2  |   |  |           |           |
|           | FMA Orders 3.1.1  |   |  |           |           |
|           | FMA Orders 3.3.1  |   |  |           |           |
|           | FMA Orders 3.3.2  |   |  |           |           |
|           | FMA Orders 3.3.3  |   |  |           |           |
|           | FMA Orders 5.1  |   |  |           |           |
|           |   |   |  |           |           |
|           |   |   |  |           |           |
|           |   |   |  |           |           |

| Req ID                                  | CEI  | Section Ref | Section Title   | Section Description  | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions  | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|---|--|-------------|---|--|--|------------|-------------------------------|-----------------------|--|----------------|--|---------------------|--|--|
| Collection, custody etc of public money |  |             |   |  |  |            |                               |                       |  |                |  |                     |  |  |
|   | CEI 3.6 Banking<br>FINMAN 2  | 8           | Agreements with banks about receipt, transmission etc of public monies.                             | (1) The Finance Minister may, on behalf of the Commonwealth, enter into an agreement with any bank:<br>(a) for the receipt, custody, payment or transmission of public money, either inside or outside Australia; or<br>(b) for any other matter relating to the conduct of the banking business of the Commonwealth.<br>(2) An agreement under this section may provide for the payment of interest and other charges by the Commonwealth.<br>(3) An agreement under this section may not provide for overdraft drawings by the Commonwealth unless it provides for each drawing to be repaid within 30 days.<br>(4) An agreement for an overdraft on an official account must not be made except under this section.<br>(5) An agreement under this section may not be made for a period of more than one year unless the agreement can be terminated by the Commonwealth at any time after giving notice of not more than 6 months. | LOW  | All        |                               |                       | Have you entered into an agreement(s) with any banks during the quarter?<br><br>If yes, was this agreement(s) authorised by the CFO, FASFS, ASFO or DTB per FINMAN 2 Schedule F3-5.<br><br>Does the agreement provide for overdraft drawings by the Commonwealth? If no, you have complied with part (3).<br>If yes are the overdraft drawings to be repaid within 30 days? If yes you have complied with part (3). If no, you have not complied with this section of the Act.<br><br>Has the agreement been made for more than one year?<br>If no, you have complied with part (4)<br>If yes, can the agreement be terminated by the Commonwealth at any time after giving notice of not more than 6 months?<br>If yes, you have complied with part (5). If no, you have not complied with this section of the Act. |                |  |                     |  |  |
|   | CEI 3.6 Banking<br>CEI 3.7 Advances<br>CEI 3.9 Returned, Unclaimed, Stopped, Stale and Fraudulently Negotiated cheques<br>FINMAN 2   | 9           | Official bank accounts  | 1) The Finance Minister may open and maintain bank accounts in accordance with agreements under section 8, and <b>must</b> open and maintain at least one such bank account.<br>2) A bank account <b>must</b> have a name that includes the word "Official".<br>3) An account for the receipt, custody, payment or transmission of public money <b>must not</b> be opened except in accordance with this section.  | LOW  | All        |                               |                       | Have you opened any bank accounts during the quarter?<br>If no, this section is not applicable to you.<br>If yes, was the opening and maintaining of the bank account(s) authorised by CFO, FASFS, ASFO, and DTB per FINMAN 2 Schedule F3-6?<br><br>Does the opened bank account have the word "official" in it's account name?<br>If yes, you have complied with this section.  |                |  |                     |  |  |
|   | CEI 3.1 Collection of Public Money<br>CEI 3.3 Loss of Public Money<br>CEI 3.6 Banking  | 10          | Public monies must be promptly banked.  | An official or Minister who receives public money (including money that becomes public money upon receipt) <b>must</b> bank it as required by the Finance Minister's Orders or otherwise deal with it as required by the Finance Minister's Orders. For this purpose, money includes cheques and similar instruments   | HIGH   | All        |                               |                       | Have you banked money (including cheques and similar instruments) received as soon as practicable, but in any case not later than:<br>(a) the next banking day; or<br>(b) a banking day approved by the Chief Executive?   |                |  |                     |  |  |
|   | CEI 3.1 Collection of Public Money<br>CEI 3.6 Banking<br>CEI 3.7 Advances  | 11          | Public monies must not be deposited in any account other than an official account.                  | An official or Minister <b>must not</b> deposit public money in any account other than an official account. For this purpose, money includes cheques and similar instruments.  | HIGH   | All        |                               |                       | Has public money (including cheques and similar instruments) been deposited into an account other than an official bank account during the quarter?<br>If yes, you have not complied with this section.  |                |  |                     |  |  |
|   | CEI 3.1 Collection of Public Money<br>CEI 3.6 Banking<br>Delegation F3-1   | 12          | Finance Minister's authority needed for arrangements for receipt etc of public money from outsiders | An official or Minister must not enter into an agreement or arrangement for the receipt or custody of public money by any person other than the Commonwealth, an official or a Minister unless:<br>(a) the FM has first given a written authorisation for the arrangement; or<br>(b) the arrangement is expressly authorised by this Act or by another Act.<br><br>For this purpose, <b>outsider</b> means any person other than the Commonwealth, an official or a Minister.  | HIGH   | All        |                               |                       | Have any agreements or arrangements to receive public money from outsiders been entered into during the quarter?<br><br>If yes, were the agreement(s)/arrangement(s) authorised by a delegate per FINMAN 2 Schedule 2-5?   |                |  |                     |  |  |
|   | CEI 3.1 Collection of Public Money<br>CEI 3.6 Banking  | 13          | Money not to be withdrawn from official account without authority.                                  | An official <b>must not</b> withdraw money from an official account except as authorised by the FM Orders.   | MEDIUM                                       | All        |                               |                       | Has public money <b>only</b> been withdrawn from an official account with a valid drawing right for purpose of<br>a) depositing the amount into another official account; or<br>b) establishing or reimbursing a cash advance established for a purpose, and maintained a manner, approved by the Chief Executive?<br><br>Refers to FMA Order 3.3.1, 3.3.2, and 3.3.3 in Worksheet 3. FMA Orders   |                |  |                     |  |  |
|   | CEI 2.2 Official Hospitality<br>CEI 3.1 Collection of Public Money<br>CEI 3.2 Security of Public Money<br>CEI 3.3 Loss of Public Money<br>CEI 3.6 Banking<br>CEI 3.7 Advances<br>Requirement documented in CEI 3.2/1.4 | 14          | Misapplication or improper use of public money  | An official or Minister <b>must not</b> misapply public money or improperly dispose of, or improperly use, public money.   | HIGH   | All        |                               |                       | Does your area of responsibility<br>- receipt public money<br>- use petty cash or<br>- operate a cash advance?<br><br>If yes, are you aware of any instances where public money has been either misapplied, improperly disposed of or used?  |                |  |                     |  |  |

| Reqt ID  | CEI   | Section Ref | Section Title  | Section Description   | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions   | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--|---|-------------|--|---|--|------------|-------------------------------|-----------------------|---|----------------|--|---------------------|--|--|
|  | CEI 3.1 Collection of Public Money<br>CEI 3.2 Security of Public Money<br>CEI 3.3 Loss of Public Money<br>CEI 3.6 Banking<br>CEI 3.7 Advances Requirement documented in CEI 3.2/1.4 | 15          | Liability for loss of public money                       | (1) If:<br>(a) a loss of public money occurs; and<br>(b) at the time of the loss, an official or Minister had nominal custody of the money as described in subsection (2);<br>the official or Minister is liable to pay to the Commonwealth an amount equal to the loss. However, it is a defence if the person proves that he or she took reasonable steps in all the circumstances to prevent the loss.<br>(2) A person has nominal custody of public money if:<br>(a) the person holds the money by way of a petty cash advance, "change float" or other advance; or<br>(b) the person has received the money, but has not yet dealt with it as required by section 10<br>(3) If:<br>(a) a loss of public money occurs; and<br>(b) an official or Minister caused or contributed to the loss by misconduct, or by a deliberate or serious disregard of reasonable standards of care; the official or Minister is liable to pay to the Commonwealth an amount equal to the loss. However, if the person's misconduct or disregard was not the sole cause of the loss, the person is liable to pay so much of the loss as is just and equitable having regard to the person's share of the responsibility for the loss.<br>(4) A person's liability under this section that arises when the person is an official or Minister is not available to be recovered as a debt in a court of law.<br>(5) An amount payable to the Commonwealth under this section is recoverable as a debt in a court of law.<br>(6) The Commonwealth is not entitled to recover amounts from the same person under both subsections (1) and (2).<br>(7) In this section:<br>loss includes a deficiency. | HIGH   | All        |                               |                       | CEI 3.3 provides guidance in regard to the Loss of Public Money. Loss of Public Money must be reported and investigated IAW section 2 of the CEI. The delegate under FINMAN2 Schedule 6-3 may appoint an investigating officer and or make a determination in regard to the loss.<br><br>Any loss where fraud, theft or misappropriation is suspected is actioned IAW DI(G) ADMIN 45-2.<br><br>Since the last report, are you aware of any investigation under DI(G) ADMIN 45.2 where it was determined that there was misapplication, improper disposal or improper use of Public Money? |                |  |                     |  |  |
| <b>Accounting, appropriations and payment</b>    |   |             |  |   |  |            |                               |                       |   |                |  |                     |  |  |
|  | CEI 4.2 Drawing Rights Requirement documented in 4.2/1.2  | 26          | Drawing rights required for payment etc. of public money | An official or Minister <b>must not</b> do any of the following except as authorised by a valid drawing right:<br>(a) make a payment of public money;<br>(b) request that an amount be debited against an appropriation;<br>(c) debit an amount against an appropriation.   | MEDIUM                                       | All        |                               |                       | Most payments in Defence are authorised under a centrally held drawing right administered in the Finance Executive, however when staff are provided with cash advances (eg military exercises / operations) or write cheques on an outposted bank account, then a drawing right must be issued to the staff member in order for the person to make payments.<br>Has anyone in your area been issued with a cash advance or writes cheques that hasn't been issued a drawing right?  |                |  |                     |  |  |
|  | CEI 4.2 Drawing Rights<br>CEI 2.10 Overseas Accounting Arrangements Delegations F4-1 and F4-2 Requirement documented in 4.2/1.6   | 27          | Issue of drawing rights                                  | 1) The Finance Minister may issue a drawing right to an official or Minister that authorises the official or Minister to do one or more of the following:<br>(a) make a payment of public money for a specified purpose;<br>(b) request the debiting of an amount against a particular appropriation;<br>(c) debit an amount against a particular appropriation.<br>(2) If a law requires the payment of an amount of public money and there is an available appropriation for that payment:<br>(a) the Finance Minister <b>must</b> issue sufficient drawing rights to allow the amount to be paid in full; and<br>(b) the recipient of any of those drawing rights <b>must</b> exercise the rights in full.<br>(3) If a law permits the payment of an amount of public money, but does not require the payment of that amount, there is no obligation to issue or exercise drawing rights for that amount.<br>(4) The Finance Minister may at any time revoke or amend a drawing right.<br>(5) A drawing right <b>has</b> no effect to the extent that it claims to authorise the application of public money in a way that is not authorised by an appropriation.  | HIGH   | All        |                               |                       | Do officials who operate bank accounts where cheques are drawn and officials who operate cash advances where money is paid out have appropriate drawing rights issued by a delegate under Financial Delegations schedule F4-1 or F4-2?  |                |  |                     |  |  |
| <b>Control and management of public property</b> |   |             |  |   |  |            |                               |                       |   |                |  |                     |  |  |
|  | CEI 6.2 Gifting and receiving gifts of public property<br>CEI 6.3 Loss of Public property   | 41          | Misapplication or improper use of public property        | An official or Minister <b>must not</b> misapply public property or improperly dispose of, or improperly use, public property   | HIGH   | All        |                               |                       | Are you aware of any instances where your area has misapplied public property or improperly used or disposed public property?<br>Misapplication of public property relates to using public property for private use. Improperly using public property relates to using property for a purpose other than what it is designed for, in a way that could cause damage, harm or embarrassment. Improper disposal is disposing of public property without the appropriate authorisation  |                |  |                     |  |  |

| Req ID  | CEI  | Section Ref | Section Title                             | Section Description   | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions   | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|---|--|-------------|---|---|--|------------|-------------------------------|-----------------------|---|----------------|--|---------------------|--|--|
|   | CEI 6.3 Loss of Public Property<br>CEI 7.2 Home garaging of Defence vehicles   | 42          | Liability for loss etc of public property | (1)If:<br>(a)a loss of public property occurs; and<br>(b)at the time of the loss, an official or Minister had nominal custody of the property as described in subsection (2);<br>the official or Minister is liable to pay to the Commonwealth the amount of the the loss. However, it is a defence if the person proves that he or she took reasonable steps in all the circumstances to prevent the loss.<br>(2)A person (the custodian) has nominal custody of public property if both of the following conditions are satisfied:<br>(a)the custodian has taken delivery of the property and has not returned it to the person entitled to receive the property on behalf of the Commonwealth;<br>(b)when the custodian took delivery of the property the custodian signed a written acknowledgment that the property was delivered on the express condition that the custodian would at all times take strict care of the property.<br>(3)If:<br>(a)a loss of public property occurs; and<br>(b)an official or Minister caused or contributed to the loss by misconduct, or by a deliberate or serious disregard of reasonable standards of care;<br>the official or Minister is liable to pay to the Commonwealth the amount of the loss. However, if the person proves that he or she took reasonable steps in all the circumstances to prevent the loss, the official or Minister is not liable to pay to the Commonwealth the amount of the loss.<br>(4)A person's liability under this section that arises when the person is an official or Minister is not available as a defence.<br>(5)An amount payable to the Commonwealth under this section is recoverable as a debt in a court of law.<br>(6)The Commonwealth is not entitled to recover amounts from the same person under both subsections (1) and (2).<br>(7)In this section: amount of the loss means:<br>(a)if the property is damaged—the value of the property or the cost of repairing the property, whichever is the lesser;<br>(b)in all other cases—the value of the property.<br>loss includes destruction or damage. | HIGH   | All        |                               |                       | CEI 6.3 provides guidance in regard to the Loss of Public Property. Loss of Public Property must be reported and investigated IAW section 2 of the CEI. The delegate under FINMAN2 Schedule 6-3 may appoint an investigating officer and or make a determination in regard to the loss.<br><br>Any loss where fraud, theft or misappropriation is suspected is actioned IAW DI(G) ADMIN 45-2.<br><br>Since the last report, are you aware of any investigation under DI(G) ADMIN 45.2 where it was determined that there was misapplication, improper disposal or improper use of Public Property?  |                |  |                     |  |  |
|   | CEI 6.2 Gifting and receiving gifts of public property<br>Delegation F6-2  | 43          | Gifts of public property                  | An official or Minister <b>must not</b> make a gift of public property unless: (a) the making of the gift is expressly authorised by law; or (b) the Finance Minister has given written approval to the gift being made; or (c) the Commonwealth acquired the property to use it as a gift  | HIGH   | All        |                               |                       | Has any public property been gifted during this reporting period?<br><br>Was approval for the gifting of public property obtained from a delegate in FINMAN 2 F6-2?<br><br>If the gift was not approved an appropriate delegate, or public property was gifted without approval, then this is a non-compliance.   |                |  |                     |  |  |
| <b>Special responsibilities of Chief Executives</b> |  |             |   |   |  |            |                               |                       |   |                |  |                     |  |  |
|   | CEI 3.3 Loss of Public Money<br>CEI 4.1 Fraud Control in Defence<br>CEI 6.3 Loss of Public Money   | 45          | Fraud control plan                        | A Chief Executive <b>must</b> implement a fraud control plan for the Agency. For this purpose, fraud includes fraud by persons outside the Agency in relation to activities of the Agency   | LOW  | All        |                               |                       | Has your group implemented a fraud control plan? What date was it last reviewed?  |                |  |                     |  |  |
|   | CEI 3.3 Loss of Public Money<br>CEI 5.1 Debt Management<br>CEI 5.2 Debt Write-Off<br>CEI 5.4 Liquidated Damages<br>CEI 5.5 Payroll Management<br>CEI 6.3 Loss of Public Property<br>CEI 8.4 Authority to accept offers made to the Commonwealth in settlement of a claim | 47          | Recovery of debts                         | (1) A Chief Executive <b>must</b> pursue recovery of each debt for which the Chief Executive is responsible unless: (a) the debt has been written off as authorised by an Act; or (b) the Chief Executive is satisfied that the debt is not legally recoverable; or (c)the Chief Executive considers that it is not economical to pursue recovery of the debt.<br>(2) For the purposes of subsection (1), a Chief Executive is responsible for:<br>(a) debts owing to the Commonwealth in respect of the operations of the Agency; and<br>(b) debts owing to the Commonwealth that the Finance Minister has allocated to the Chief Executive  | MEDIUM                                       | All        |                               |                       | Does your group raise debts on an AC978 form and send these to DSG for central management? If so these debts will be followed up through the Debt Recovery processes of the Central Processing Centres and the Central Debt Management Cell.<br>Does your group raise its own debts? If so you are responsible for ensuring they are recovered in a timely manner.  |                |  |                     |  |  |
|   | CEI 1.6 Retention and Disposal of Accounts and Records<br>CEI 2.4 Payment of Accounts<br>CEI 2.8 Foreign Military Sales<br>CEI 5.1 Debt Management<br>CEI 5.2 Debt Write-Off<br>CEI 5.4 Liquidated Damages<br>CEI 6.1 Asset Management                                   | 48          | Accounts and records                      | (1) A Chief Executive <b>must</b> ensure that accounts and records of the Agency are kept as required by the Finance Minister's Orders.<br>(2) The Finance Minister is entitled to full and free access to the accounts and records kept under subsection (1). However, the Finance Minister's access is subject to any law that prohibits disclosure of particular information.  | HIGH   | All        |                               |                       | Have you kept accounts and records in a way that<br>(a) records the receipt and expenditure of public money on a daily basis<br>(b) enables information to be provided to the Secretary & Department of Finance when required;<br>(c) enables the preparation of the financial statements to be prepared in accordance with the FM Orders (Financial Statement FM Orders) and give a true and fair view of matters required by those orders;<br>(d) allows for the financial statements to be conveniently and properly audited;<br>(e) ensures money is only expended for the purpose where there is an appropriation; and<br>(f) ensures the limit on any appropriation is not exceeded.<br><br>Completion of your Due Diligence should inform you whether your Accounts and Records are in compliance with this section. |                |  |                     |  |  |
| <b>Miscellaneous</b>                                |  |             |   |   |  |            |                               |                       |   |                |  |                     |  |  |

| Reqt ID | CEI   | Section Ref | Section Title                            | Section Description  | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions   | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|---------|---|-------------|--|--|--|------------|-------------------------------|-----------------------|---|----------------|--|---------------------|--|--|
|         | CEI 2.1 Procurement<br>CEI 2.3 Defence<br>Purchasing Card<br>Requirement<br>documented in<br>2.3/1.10 | 60          | Misuse of<br>Commonwealth<br>credit card | (1) An official or Minister <b>must not</b> use a Commonwealth credit card, or a Commonwealth credit card number, to obtain cash, goods or services otherwise than for the Commonwealth.<br>(2) Subsection (1) does not apply to a particular use of a Commonwealth credit card or Commonwealth credit card number if:<br>(a) the use is authorised by the Finance Minister's Orders; and<br>(b) the Commonwealth is reimbursed in accordance with the Finance Minister's Orders.<br>(3) In this section:<br>Commonwealth credit card means a credit card issued to the Commonwealth to enable the Commonwealth to obtain cash, goods or services on credit. | MEDIUM                                       | All        |                               |                       | Are you aware of any use of a Commonwealth Credit card to obtain cash, goods or services otherwise than for the Commonwealth? If yes this is a misuse of the card and non-compliance with FMA ACT Section 60.<br><br>(Accidental or coincidental misuse of a Commonwealth Credit Card does not need to be reported provided the cardholder took prompt action to repay and the amount was recovered.) |                |  |                     |  |  |

| Req ID  | CEI Reference                                   | Section Ref | Section Title   | Section Description   | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable   | Guiding Questions   | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|---|---|-------------|---|---|--|------------|-------------------------------|---|---|----------------|--|---------------------|--|--|
| <b>Commitments to spend public money</b>              |   |             |   |   |  |            |                               |   |   |                |  |                     |  |  |
|   | CEI 2.1 Procurement                             | 8           | Officials to have regard to guidelines                  | (1) An official performing duties in relation to the procurement of property or services <b>must</b> have regard to the Commonwealth Procurement Guidelines. (2) An official who takes action that is not consistent with the Guidelines must make a written record of his or her reasons for doing so.   | HIGH   | All        |                               |   | Have all procurement activities during the quarter been undertaken in accordance with the Commonwealth Procurement Guidelines?<br><br>If no, did you make written record of the reasons of not taking action in accordance with the Commonwealth Procurement Guidelines?<br><br>If yes, then you are compliant with this section.   |                |  |                     |  |  |
|   | CEI 2.1 Procurement                             | 9           | Approval of spending proposals - principles             | (1) An approver <b>must</b> not approve a proposal to spend public money (including a notional payment within the meaning of section 6 of the Act) unless the approver is satisfied, after making such inquiries as are reasonable, that the proposed expenditure: (a) is in accordance with the policies of the Commonwealth; and (b) will make efficient and effective use of the public money; and (c) if the proposal is one to spend special public money, is consistent with the terms under which the money is held by the Commonwealth. (2) Subregulation (1) does not apply to a proposal by an intelligence or security agency to spend operational money within the meaning of section 5 of the Act as modified in accordance with Schedule 2.   | HIGH   | All        |                               |   | Have approvers of proposals to spend public money exercised this delegation in accordance with the directions in FINMAN 2 Schedule F2-2? That is, have delegates only approved proposals to spend public money when they are satisfied that the proposed expenditure<br>- is in accordance with the policies of the Commonwealth<br>- will make efficient, effective and ethical use of public money<br>- if the proposal is one to spend special public money, is consistent with the terms under which the money is held by the Commonwealth<br>- is covered by sufficient available funds or appropriation, or has the appropriate authorisation under FMA Reg 10. |                |  |                     |  |  |
|   | CEI 2.1 Procurement                             | 10          | Approval of future spending proposals                   | If any of the expenditure under a spending proposal is expenditure for which an appropriation of money is not authorised by the provisions of an existing law or a proposed law that is before the Parliament, an approver <b>must not</b> approve the proposal unless the Finance Minister has given written authorisation for the approval.   | HIGH   | All        |                               |   | Have future proposals to spend public money been authorised by a delegate per FINMAN 2 Schedule F2-1.<br>Note - a non compliance would occur if there was no approval for future expenditure or this approval was given after the approval to spend.  |                |  |                     |  |  |
|   | CEI 2.1 Procurement                             | 11          | Approval of spending proposals - officials              | An official <b>must not</b> approve a proposal to spend public money unless authorised by a Minister or Chief Executive, or by or under an Act, to approve the proposal.  | HIGH   | All        |                               |   | Have proposals to spend public money been authorised by a delegate per FINMAN 2 Schedule F2-2.<br><br>Note - a non compliance would occur here if there was no approval for future expenditure or if this approval was given after the approval to spend.   |                |  |                     |  |  |
|   | CEI 2.1 Procurement                             | 12          | Approval to be recorded                                 | If approval of a proposal to spend public money is not given in writing, the approver <b>must</b> record the terms of the approval in a document as soon as practicable after giving the approval. Note <b>Document</b> is not limited to paper documents: <i>Acts Interpretation Act 1901, s 25.</i>   | HIGH   | All        |                               |   | Have all approvals to spend public money been adequately recorded?  |                |  |                     |  |  |
|   | CEI 2.1 Procurement                             | 13          | Entering into contracts etc                             | A person <b>must not</b> enter into a contract, agreement or arrangement under which public money is, or may become, payable (including a notional payment within the meaning of section 6 of the Act) unless a proposal to spend public money for the proposed contract, agreement or arrangement has been approved under regulation 9 and, if necessary, in accordance with regulation 10.  | MEDIUM                                       | All        |                               |   | Has the entity entered into any contracts, agreements or arrangements since the last report?<br><br>Before entering into any contracts, agreements or arrangements was prior approval under Regulation 9 and if necessary in accordance with regulation 10 given?<br><br>If you answer no to this, you have not complied with this requirement.   |                |  |                     |  |  |
| <b>Protection of public money and public property</b> |   |             |   |   |  |            |                               |   |   |                |  |                     |  |  |
|   | DIG FIN 12-1                                    | 20          | Officials to have regard to guidelines                  | An official performing duties in relation to the control and reporting of fraud <b>must</b> have regard to the Fraud Control Guidelines.  | HIGH   | All        |                               |   | Does your Fraud Control Plan reference and have regard for the Fraud Control Guidelines.  |                |  |                     |  |  |
| <b>Miscellaneous</b>                                  |   |             |   |   |  |            |                               |   |   |                |  |                     |  |  |
|   | CEI 6.4 Property Found on Commonwealth Property | 23          | Disposal of property found on Commonwealth premises etc | (1) If:<br>(a) property (other than money, or property to which subregulation (2) applies) is found on premises, or in an aircraft, vessel, vehicle, container or receptacle, under the control of the Commonwealth; and<br>(b) the property is not claimed by its owner within 3 months from the date on which it is so found the Commonwealth may dispose of the property.<br>(2) The Commonwealth may, at any time, dispose of:<br>(a) live plants or animals; or<br>(b) perishable goods; or<br>(c) articles that are, or could be, dangerous or noxious; found on premises, or in an aircraft, vessel, vehicle, container or receptacle, under the control of the Commonwealth.<br>(3) The Commonwealth must:<br>(a) dispose of the property by sale, unless it is impracticable, or undesirable in the public interest, to do so; and<br>(b) pay the proceeds of the sale into the Consolidated Revenue Fund.<br>(4) If:<br>(a) the Commonwealth has disposed of property by sale; and<br>(b) the person who was the owner of the property immediately before the sale makes a claim on the Commonwealth in respect of the Commonwealth must pay to the person an amount equal to the amount for which the property was sold less the aggregate of any amounts reasonably spent by the Commonwealth for the storage, maintenance or disposal of the property. | LOW  | All        |                               | Have you found any property on Commonwealth premises or in an aircraft, vessel, vehicle, container or receptacle, under the control of the Commonwealth, during the quarter?<br><br>Has the property you found been disposed of in accordance with the timeframes set in this section?<br><br>Was the property disposed by sale?<br>If so, have you paid the proceeds from the sale into the Consolidated Revenue Fund?<br><br>Before the sale, did the owner of the property make a claim on the Commonwealth in respect of the property?<br>If so, did you pay to the person an amount equal to the amount for which the property was sold less the aggregate of any amounts reasonably spent by the Commonwealth for the storage, maintenance or disposal of the property. |   |                |  |                     |  |  |

| Req ID | CEI Reference                                       | Section Ref | Section Title                           | Section Description  | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions  | Compliant Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--------|---|-------------|---|--|--|------------|-------------------------------|-----------------------|--|---------------|--|---------------------|--|--|
|        |   |             | <b>Care and custody of public money</b> |  |  |            |                               |                       |  |               |  |                     |  |  |
|        | CEI 3.6 Banking/ CEI 3.1 Collection of Public Money | 3.2         | Public Money in non-bankable currency   | An official who receives public money in a non-bankable currency (including money that becomes public money upon receipt) <b>must</b> ensure the protective custody of that money. | LOW  | All        |                               |                       | Have you received public money in a non-bankable currency during the quarter? If no, then this section is not applicable. If yes, did you ensure the protective custody of that money? |               |  |                     |  |  |

| Req ID | CEI Reference | Section Ref | Section Title  | Section Description   | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions   | Compliant Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--------|---------------|-------------|--|---|--|------------|-------------------------------|-----------------------|---|---------------|--|---------------------|--|--|
|        |               | 3.1         | Identifying and Measuring Exposures                                    | When negotiating contracts with suppliers, entities should ensure that all foreign currency exposures relating to either operational or capital expenditure are correctly identified. These exposures should be monitored and reviewed periodically to ensure the entity's reporting requirements can be met  | LOW  | All        |                               |                       | Have you entered into any contracts with suppliers with foreign currency exposures during the quarter?<br><br>Are you able to report on request your foreign currency exposures relating to these contracts? If yes, you have complied with this section.   |               |  |                     |  |  |
|        |               | 3.3         | Standard Industry Practice   | When an entity enters into arrangements considered to be standard industry practice, it must continue to ensure that any residual foreign exchange risk under the arrangements are in line with all other elements of the policy, such as relevant reporting and control requirements.  | LOW  | All        |                               |                       | Have you entered into any contracts with suppliers with foreign currency exposures during the quarter?<br><br>Are you able to report on request your foreign currency exposures relating to these contracts? If yes, you have complied with this section.   |               |  |                     |  |  |
|        |               | 3.4         | Dealing with Contracts, agreements or Arrangements that include Hedges | Entities are <b>required</b> to exclude requests for embedded structures from contract specifications. However, if any proposed contract or agreement is considered to reduce or eliminate foreign exchange risk through embedded structures, and is considered to be best value outcome or is necessary in circumstances of a sole supplier, the entity <b>must</b> through its Minister, seek a project-specific exemption from the Finance Minister. Entities should liaise with Finance in the first instance where they have such proposals. | LOW  | All        |                               |                       | Were there any proposed contracts and agreements with embedded structures that were the best value for money option or is necessary due to sole provider?<br>If no, and you have not entered into any such contracts this section is not applicable<br>If yes, did you seek project specific exemption from the Minister? |               |  |                     |  |  |
|        |               | 3.2.12      | Management of Foreign Exchange Risk in Accordance with the Policy      | Entities must not seek to mitigate foreign exchange risk by prepaying purchases with the intention of removing foreign exchange risk.   | LOW  | All        |                               |                       | Has your entity prepaid for purchases for the purpose of hedging the entities foreign exchange exposures?   |               |  |                     |  |  |
|        |               | 6.2         | Foreign Exchange Control Responsibilities                              | A complete segregation of duties between the persons responsible for executing foreign exchange transactions and the persons reconciling, settling and accounting for those transactions. Ideally the person responsible for reconciling and accounting for foreign exchange transactions <b>should not</b> also be responsible for settling (i.e. making the payment for) that transaction.  | LOW  | All        |                               |                       | Are there appropriate segregation of duties in place between persons responsible for executing foreign exchange transactions and the persons reconciling, settling and accounting for those transactions.   |               |  |                     |  |  |

Foreign Exchange Risk

|  |  |     |   |  |            |            |  |  |   |  |  |  |  |
|--|--|-----|---|--|------------|------------|--|--|---|--|--|--|--|
|  |  | 6.2 | Foreign Exchange Control Responsibilities | All foreign exchange transactions <b>must</b> be appropriately authorised.   | <b>LOW</b> | <b>All</b> |  |  | Do you have controls in place to ensure all foreign currency transactions are appropriately authorised? |  |  |  |  |
|  |  | 6.2 | Foreign Exchange Control Responsibilities | The system should ensure that a record is kept of any foreign exchange transaction that is modified or cancelled. This should include the cost of, and reasons for, any such modification or cancellation.   | <b>LOW</b> | <b>All</b> |  |  | Do you have controls in place to ensure all foreign currency transactions are appropriately authorised? |  |  |  |  |
|  |  | 6.2 | Foreign Exchange Control Responsibilities | A process should be in place to ensure that any exceptions or variations to the authorised procedure for foreign exchange transactions is reported to an appropriate senior manager, who can review and provide guidance on any remedial action that should be undertaken. | <b>LOW</b> | <b>All</b> |  |  | Do you have controls in place to ensure all foreign currency transactions are appropriately authorised? |  |  |  |  |

| Req ID | CEI Reference | Section Ref | Section Title                            | Section Description  | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions  | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--------|---------------|-------------|--|--|--|------------|-------------------------------|-----------------------|--|----------------|--|---------------------|--|--|
|        |               |             | Summary Question                         | <p>If you can answer 'No' to Question 1 below, then the Competitive Neutrality requirements can all be marked 'Not applicable'</p> <p>1. Have you undertaken any market testing involving a comparison of the cost to Defence of an external tender for service delivery against the cost of retaining in-house service delivery?</p> <p>2. If so, did you include a notional competitive neutrality adjustment in accordance with the Government Competitive Neutrality Guidelines, to the cost of retaining the in-house service delivery in making a comparison with the external tender?</p>   |  |            |                               |                       |  |                |  |                     |  |  |
|        |               | 5           | Market Testing                           | All agencies conducting a tendering process <b>must</b> include a requirement for public sector bidders to declare that their tenders are compliant with CN principles.  | LOW  | All        |                               |                       | Have you conducted any tendering processes with the possibility of public sector bidders? If so did you include a requirement for public sector bidders to declare that they are compliant with CN principle?  |                |  |                     |  |  |
|        |               | 5           | Market Testing                           | <p>To ensure that government business activities compete on a comparable basis with their competitors, the following amounts <b>must</b> be notionally included in the cost base of a public sector bid or a baseline costing exercise for activities subject to market testing arrangements.</p> <p>Taxation neutrality adjustments - an amount equivalent to the taxes that the activity would otherwise have to pay if it were not exempt from Commonwealth and state taxes;</p> <p>Regulatory neutrality - an amount equivalent to the benefit received through relief from compliance with regulatory obligations that would be applied if the business activity was not publicly owned;</p> <p>Debt neutrality - an amount equivalent to the differential in borrowing costs between the Government business activity and a similar entity that is unable to obtain any advantage as a consequence of public sector ownership;</p> <p>Pre-tax rate of return - public sector bids and baseline costings should include a provision to earn a commercial pre-tax RoR (note that where plant and facilities are to be made available to all bidders as government-furnished public sector bids would not need to include a RoR on such capital);</p> <p>Insurance premiums - where insurance is required by private sector tenderers</p> <p>Full cost recovery - any public sector bid and baseline costing exercise should</p> <p>Applying CN policy in this way ensures that public sector bids and baseline costing exercises reflect the full cost of providing the relevant goods and services.</p> | LOW  | All        |                               |                       | <p>Did your group participate in any market testing or 'in-house- bids'? If so did you include amounts on -</p> <ul style="list-style-type: none"> <li>* Taxation neutrality adjustments</li> <li>* Regulatory neutrality</li> <li>* Debt neutrality</li> <li>* Pre tax rate of return</li> </ul> <p>This is to ensure that any public sector or inhouse bid reflected the full cost of providing the goods or services.</p> |                |  |                     |  |  |
|        |               | 7           | Documentation and Reporting Requirements | Each agency <b>should</b> document its deliberations as to whether a business activity is, or is not, within the scope of CN policy. It is good practice to maintain defensible documentation.   | LOW  | All        |                               |                       | Are you conducting any business activities that may be within the scope of the Competitive Neutrality policy? If so, has it been documented how this business activity complies with the policy?   |                |  |                     |  |  |
|        |               | 7           | Documentation and Reporting Requirements | Agencies are <b>required</b> to report to Finance annually via a survey on their compliance and implementation of CN with respect to their business activities.  | LOW  | All        |                               |                       | Have all business activities subject to competitive neutrality been reported to Finance?   |                |  |                     |  |  |

| Req ID | CEI Reference  | Section Ref | Section Title | Section Description   | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions  | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--------|--|-------------|---------------|---|--|------------|-------------------------------|-----------------------|--|----------------|--|---------------------|--|--|
|        | CEI 7.1 Charging and Cost Recovery                                     | 1           | Introduction  | Agencies <b>should</b> set charges to recover all the costs of products or services where it is efficient to do so, with partial cost recovery to apply only where new arrangements are phased in, where there are government endorsed community service obligations, or for explicit government policy purposes.   | LOW  | All        |                               |                       | Do you have any cost recovery arrangements? If no, this worksheet is not applicable. If yes, this worksheet is applicable.<br><br>Do you set charges to recover all the costs of products or services where it is efficient to do so?<br><br>Do you apply partial cost recovery to any arrangements? If yes, do you apply partial cost recovery for any other reason than the following: where new arrangements are being phased in, where there are government endorsed community service obligations, or for explicit government policy purposes? If yes, you have not complied with this section. |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 2           | Introduction  | Cost recovery <b>should not</b> be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation  | MEDIUM                                       | All        |                               |                       | Have you applied cost recovery where it is not cost effective to do so is inconsistent with government policy objectives it would unduly stifle competition or industry innovation? If yes, you have not complied with this section.   |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 3           | Introduction  | Any charges <b>should</b> reflect the costs of providing the product or service and should generally be imposed on a fee-for-service basis or, where efficient, as a levy.  | LOW  | All        |                               |                       | Do your cost recovery charges reflect the costs of providing the product or service?<br><br>Are your charges generally imposed on a fee-for-service bases or where efficient, as a levy?<br><br>If yes to the above, you have complied with this section.  |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 4           | Introduction  | Agencies <b>should</b> ensure that all cost recovery arrangements have clear legal authority for the imposition of charges  | LOW  | All        |                               |                       | For your cost recovery arrangements, do you have a clear legal authority for the imposition of charges? If yes, you have complied with this section.   |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 5           | Introduction  | Costs that are not directly related or integral to the provision of products or services (e.g. some policy and parliamentary servicing functions) <b>should not</b> be recovered. Agencies that undertake regulatory activities <b>should</b> generally include administration costs when determining appropriate charges.  | MEDIUM                                       | All        |                               |                       | Do you only recover costs that are directly related and integral to the provision of products and services? If yes, you have complied with this section.   |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 10          | Introduction  | Agencies with significant cost recovery arrangements <b>should</b> ensure that they undertake appropriate stakeholder consultation, including with relevant departments.  | LOW  | All        |                               |                       | If you have cost recovery arrangements, do you consult with all relevant entities including other departments?   |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 11          | Introduction  | All agencies with significant cost recovery arrangements <b>will need</b> to prepare Cost Recovery Impact Statements (CRIS). A CRIS will not be required where a Regulation Impact Statement (RIS) that also addresses cost recovery arrangements against these guidelines has been prepared.<br>a. The chief executive, secretary or board must certify that the CRIS complies with the policy and provide a copy to the Department of Finance and Administration.<br>b. Agencies must include a summary of the CRIS in their portfolio budget submissions and statements. | LOW  | All        |                               |                       | If you have cost recovery arrangements, have you provided all relevant information to enable the development of CRIS?  |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 12          | Introduction  | Agencies <b>are to</b> review all significant cost recovery arrangements periodically, but no less frequently than every five years   | LOW  | All        |                               |                       | Have you reviewed your cost recovery arrangements recently, at least within the last five years?   |                |  |                     |  |  |
|        | CEI 7.1 Charging and Cost Recovery & FINMAN 4 - Defence Costing Manual | 13          | Introduction  | Agencies <b>will need</b> to separately identify all cost recovery revenues in notes to financial statements – to be published in portfolio budget statements and annual reports consistent with the Finance Minister's Orders.   | LOW  | All        |                               |                       | Have you provided relevant information to the Finance Executive regarding all cost recovery revenues, to allow all revenues to be identified separately?   |                |  |                     |  |  |

| Req ID | CEI Reference                               | Section Ref   | Section Title   | Section Description  | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable  | Guiding Questions | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--------|---|---|---|--|--|------------|-------------------------------|--|-------------------|----------------|--|---------------------|--|--|
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Guidelines  | When should an Australian Government enter into an arrangement involving the issuance of an indemnity, guarantee, warranty, or letter of comfort? | To minimise the Commonwealth's exposure to risk, any arrangement involving the provision of an indemnity, guarantee, warranty or letter of comfort by the Australian Government <b>should not</b> be entered unless:<br>- there is an explicitly identified risk;<br>- the expected benefits objectively outweigh the level and cost of the risks;<br>- there is a demonstrable need for the Australian Government to accept such risks;<br>- alternative options for managing these risks have been fully explored (including the provision of commercial insurance);<br>- Agencies have assessed the specific risks to be covered;<br>- potential losses have been rigorously investigated and identified;<br>- the Commonwealth is adequately protected<br>- the price of the risk being borne by the Commonwealth has been factored into the value for money consideration of the proposal;<br>- appropriate risk management arrangements are in place (see section – Risk Management);<br>- the legislative requirements have been met (see section – Governance Framework regulating the issuing of indemnities, guarantees, warranties and letters of comfort);<br>- there is a time limit on the operation of the instrument;<br>- there is a termination clause to ensure the Australian Government has the option to terminate the instrument;<br>- there are maximum financial limits on claims which can be made under the instrument;<br>- there are subrogation-like clauses (ie, the right to exercise the option of conducting, or being conducted, by the indemnified party);<br>- there is a clause that requires the indemnified party to advise the Australian Government of any claim;<br>- there is a clause to ensure that the instrument (notably indemnities) does not cover damages that are not covered by the instrument;<br>- the instrument protects the party against liabilities beyond those afforded by common law or other applicable legislation;<br>- there are arrangements for monitoring the risks before and after approval for the duration of the instrument;<br>- legal advice is sought and contract vetting undertaken to ensure that the Commonwealth is adequately protected.<br><br>Where the contract conditions listed above are not imposed, the reasons should be recorded. | HIGH   | All        |                               | Have you entered into an agreement with an indemnity, guarantee, warranty or letter of comfort during the quarter?<br><br>Before entering into the agreement did you first consider the contract conditions in this guideline?<br><br>Did you record reasons why certain contract conditions were not imposed when entering into such arrangements?  |                   |                |  |                     |  |  |
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Guidelines  | When should an Australian Government enter into an arrangement involving the issuance of an indemnity, guarantee, warranty, or letter of comfort? | The specific rationale behind entering into such an arrangement <b>should be</b> adequately documented to ensure:<br>- transparency in the decision making process;<br>- the instrument is issued for sound reasons; and<br>- the original justification for the issue of the instrument will be available for review and evaluation.  | MEDIUM                                       | All        |                               | Did you document the rationale for entering into arrangements with an indemnity, guarantee, warranty or letter of comfort so as to ensure:<br>- transparency in the decision making process;<br>- the instrument is issued for sound reasons; and<br>- the original justification for the issue of the instrument will be available for review and evaluation?<br><br>If yes, you have complied with this section?   |                   |                |  |                     |  |  |
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Guidelines  | When should an Australian Government enter into an arrangement involving the issuance of an indemnity, guarantee, warranty, or letter of comfort? | Agencies <b>should</b> seek legal advice to address the following issues:<br>• whether any applicable legislation restricts the scope of executive power of the Government to enter into the arrangement;<br>• whether the party to be provided with the indemnity, guarantee, warranty or letter of comfort is actually exposed to the purported risks and what the potential liabilities could be;<br>• the extent to which the proposed indemnity, guarantee, warranty or letter of comfort protects another party against liabilities imposed on them by common law or legislation (including the Trade Practices Act 1974);<br>if so, these should be excluded unless there is a clear justification for the Agency doing so;<br>• whether the proposed indemnity, guarantee, warranty or letter of comfort only seeks to replicate liabilities imposed on the Commonwealth by common law or Commonwealth legislation (including the Trade Practices Act 1974);<br>if so, these provisions are redundant and should be excluded unless there is a clear justification for the Agency doing so; and<br>• the extent to which any amounts that may become payable under the arrangement would be covered by the Commonwealth.<br><br>There may also be other relevant issues, depending upon the arrangement, upon which legal advice should be sought.   | HIGH   | All        |                               | Did you consult with legal seeking advice on the issues within this guideline?   |                   |                |  |                     |  |  |
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Risk Management   | Document Security   | An integral part of sound risk management is maintaining adequate physical security of these instruments and associated documents. <b>In ensuring</b> adequate physical security of relevant documents, both electronic and paper, Agencies <b>should</b> consider:<br>• the long term and/or indefinite nature of some of the obligations;<br>• the Archives Act 1983 and the National Archives of Australia requirements; and<br>• the use of special security storage, such as the Commonwealth Security System provided by the Attorney-General's Department for valuable, long term or otherwise significant instruments.   | MEDIUM                                       | All        |                               | Have you maintained adequate physical security of your indemnities, guarantees, warranties, or letters of comfort and associated documents?<br><br>In ensuring that the physical security is adequate have you considered<br>- the long term and/or indefinite nature of some of the obligations;<br>- the Archives Act 1983 and the National Archives of Australia requirements; and<br>- the use of special security storage, such as the Commonwealth Security System provided by the Attorney-General's Department for valuable, long term or otherwise significant instruments? |                   |                |  |                     |  |  |
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Governance Framework regulating the issuing of indemnities, guarantees, warranties and letters of comfort |   | When considering a proposal to enter into a contract, agreement or arrangement under which public money is, or may become, payable, Ministers and other approvers <b>must</b> comply with the requirements of the FMA Act, FMA Regulations and any relevant FMA delegations. For the purposes of the FMA Act and Regulations these instruments involve spending proposals, and accordingly, amongst other things, <b>must</b> be approved under FMA Regulation 9 and if relevant, authorised under FMA Regulation 10 prior to being entered into.  | MEDIUM                                       | All        |                               | When considering proposals to enter into a contract, agreement or arrangement under which public money is, or may become, payable, did you comply with the following:<br>- FMA Act 44<br>- FMA Regulation 9<br>- FMA Regulation 10 (if applicable)<br>- FMA Regulation 11<br>- FMA Regulation 12<br>- DRB47 Schedule F8-6  |                   |                |  |                     |  |  |
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Governance Framework regulating the issuing of indemnities, guarantees, warranties and letters of comfort |   | When considering the approval of a proposal to spend public money, for example, a private company providing services to the community on behalf of the government, FMA Regulation 9 requires that the approver <b>must</b> only approve the expenditure if satisfied, after making such inquiries as are reasonable, that the proposed expenditure (including the possible crystallisation of any contingent liabilities within the contract) is in accordance with the policies of the Commonwealth, and is an efficient and effective use of public money.   | MEDIUM                                       | All        |                               | When considering proposals to enter into a contract, agreement or arrangement under which public money is, or may become, payable, did you comply with the following:<br>- FMA Act 44<br>- FMA Regulation 9<br>- FMA Regulation 10 (if applicable)<br>- FMA Regulation 11<br>- FMA Regulation 12<br>- DRB47 Schedule F8-6  |                   |                |  |                     |  |  |

| Req ID | CEI Reference                               | Section Ref   | Section Title | Section Description  | Assessed Likelihood (risk) of non compliance | Allocation | Applicable to your Group? Y/N | Reason not applicable | Guiding Questions   | Compliant? Y/N | Instances of non compliance (detail circumstances in which terms were not complied with) | Number of Instances | Detail any corrective action that has been, or will be, taken. | Date corrective action taken/will be taken |
|--------|---|---|---------------|--|--|------------|-------------------------------|-----------------------|---|----------------|--|---------------------|--|--|
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Governance Framework regulating the issuing of indemnities, guarantees, warranties and letters of comfort |               | FMA Regulation 10 requires written authorisation from the Finance Minister (or his delegate) where the proposal involves the expenditure of public money for which there is insufficient uncommitted appropriation. The requirement for authorisation under FMA Regulation 10 will automatically be triggered where the potential cost of the instrument is unquantifiable, except where there is an unlimited standing appropriation supporting the relevant arrangement. Agencies should note that an authorisation under FMA Regulation 10 does not indicate that any budget funding will be forthcoming in the event that the contingent liability becomes payable. Agencies would be expected to look to their own resources in the first instance, and may seek budget funding in line with the prevailing budget rules.   | MEDIUM                                       | All        |                               |                       | When considering proposals to enter into a contract, agreement or arrangement under which public money is, or may become, payable, did you comply with the following:<br>- FMA Act 44<br>- FMA Regulation 9<br>- FMA Regulation 10 (if applicable)<br>- FMA Regulation 11<br>- FMA Regulation 12<br>- DRB47 Schedule F8-6   |                |  |                     |  |  |
|        | CEI 8.6 Indemnities & FINMAN 2 Schedule 8.6 | Governance Framework regulating the issuing of indemnities, guarantees, warranties and letters of comfort |               | Agencies seeking written authorisation under FMA Regulation 10, in relation to a proposed indemnity, guarantee, warranty or letter of comfort, should provide Finance with:<br>- copies of any legal advice it has received on the matter, including the advice as required by section "when should the Australian Government enter into arrangements involving the issuance of an indemnity, guarantee, warranty or letter of comfort?" of these Guidelines;<br>- copies of the instrument and any relevant agreements or contracts; and<br>- copies of other documentation required in the section "when should the Australian Government enter into arrangements involving the issuance of an indemnity, guarantee, warranty or letter of comfort?" of these Guidelines<br><br>Where such arrangements constitute new policy, they must comply with the Budget Process Operational Rules which detail, among other things, the procedures for spending proposals between Budgets, including requiring the Prime Minister's approval and that they be urgent, unavoidable and unforeseen at the time of the most recent Budget. These rules also note that for expenditure related issues (such as these | MEDIUM                                       | All        |                               |                       | Did you enter into any arrangements with indemnities, warranties, guarantees and letters of comfort that required Regulation 10 approval?<br>Note, legal advice should only be sent to Finance if it contains definitions or interpretations of the FMA ACT. This requirement does not require legal advice to be sent to DOFA for all Reg 10s that include indemnities, warranties, guarantees and letters of comfort.<br><br>Did the arrangements constitute new policy? If so has the entity complied with the budget process operational rules? |                |  |                     |  |  |

| Question No. | Question   | Guidance  | Response |
|--------------|--|---|----------|
| 1            | The organisational entity under my leadership is operating within the agreed resources* for the current financial year.  | Have you operated within your approved budget for the quarter?  |          |
| 2            | The organisational entity under my leadership has adopted or will adopt, appropriate management strategies for all known risks that may affect the financial sustainability of my entity   | Have you implemented appropriate management strategies for all known risks that may affect you from operating within your budget for the remainder of year? |          |
| 3            | If you answered to "No" to <b>Question 1</b> , provide an explanation regarding the financial sustainability of the organisational entity under your leadership for the current financial year, stating why the entity is not operating within the agreed resources for the current financial year | If not operating within your budget, please explain why this is the case.   |          |

*\*Resources is defined as cash to meet current and future commitments*