

ACCOUNTS AND FINANCIAL RECORDS

POLICY

Section 31(2)(d) of the *Financial Management Act 1996* requires the Director-General to ensure that proper accounts and records of all financial transactions and events are maintained in accordance with generally accepted accounting principles.

All Directorate staff have responsibility towards the Directorate maintaining accurate accounts and records.

This requires staff to:

- comply with the requirements of the *Territory Records Act 2002*, the *Government Procurement Act 2001*, and relevant Commonwealth taxation legislation (Goods and Services Tax (GST), Fringe Benefits Tax (FBT), etc);
- ensure all agreements with customers and suppliers are documented and stored appropriately;
- ensure all documents are correctly coded and forwarded promptly to EPD Finance for processing;
- advise EPD Finance of changes required to assets or liabilities (such as write offs or disposals, transfers from another agency, new lease arrangements or major contracts outstanding at 30 June, etc); and
- review all financial reports received and advise of any errors or corrections.

RATIONALE FOR POLICY

EPD has issued this policy to ensure that proper accounts and records of all financial transactions are maintained in accordance with requirements of the *Financial Management Act 1996*, and other requirements.

RESPONSIBILITIES AND ACCOUNTABILITIES

The primary responsibility for ensuring that proper accounts and records are kept of all financial transactions and events rests with the following:

Position	Responsibility
Chief Finance Officer	<ul style="list-style-type: none">• developing the Directorate's accounting policies relating to both internal and external financial reporting;• providing authorised requests to Shared Services for chart of account maintenance, new or changes to user accounts, archive or retrieval, new or amended Financial Systems Generator reports (FSGs), data for upload into ORACLE Government Financials (OGF) and Treasury approved new interfaces or modifications to interfaces;• managing and maintaining core business systems that interface with OGF;• preparing and approving test plans and undertake required testing for non ORACLE systems;• managing ORACLE licences within limits in consultation with Shared Services;• designing and maintaining systems for allocating costs to outputs;• authorising other changes to the Directorate's accounting system and

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	<p>records which reflect changes to accounting policies, or which improve the manner of recording, consolidating and/or reporting financial information;</p> <ul style="list-style-type: none"> • approving access for managers and staff, to any or all components of the Directorate’s accounting system, taking care to maintain appropriate internal controls through segregation of duties, audit trails and other measures; • approving journal entries to the Directorate’s General Ledger which are made to: <ul style="list-style-type: none"> • either add or adjust information automatically posted to the General Ledger through interfaces with other modules and other systems; and • to adjust information posted through interfaces to the General Ledger; • reconciliation of ledger accounts where subsidiary system data is managed and retained by the Directorate; • review key balance sheet reconciliations completed by SSC; • quarterly capital works reporting; and • other responsibilities as provided in the Service Specifications issued by Shared Services.
Executive	<ul style="list-style-type: none"> • ensuring that their division complies with the Directorate’s accounting and systems policies relating to both internal and external financial reporting.
Shared Services Finance	<ul style="list-style-type: none"> • maintaining the integrity of the core Financial Management Information System (FMIS) including access security, licensing and business continuity and: <ul style="list-style-type: none"> • maintain a schedule of Oracle users and manage Oracle licences within limits in consultation with Directorates; • prepare test plans and undertake required testing for Oracle modules and interface component of non Oracle systems which interact with Oracle; • provide systems training for users; and • maintain reporting tools. • prepare and approve journals as agreed with the agency (including month-end and year-end accruals); • reversing of accrual journals; • reconciliation of key balance sheet accounts on a monthly basis (excluding bank accounts covered under cash management i.e. cash at bank, assets, accounts payable, accounts receivable); • reconcile other balance sheet accounts on a quarterly basis; • quality assurance review of monthly trial balance; • maintain WHoG Chart of Accounts (CoA) and advise Directorates of potential solutions which will meet their needs;

	<ul style="list-style-type: none">• prepare and maintain Finance lease information; and• other responsibilities as provided in the Service Specifications issued by Shared Services.
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NON-COMPLIANCE

Failure to comply with this instruction may lead to error in the Directorate's accounting systems and could contribute to fraud against the Directorate.

Staff are therefore accountable to the Director-General for the fulfilment of their responsibilities under these procedures. Non-compliance will be taken as a serious matter and may result in disciplinary action or be reflected in performance reviews.

TARGET USERS

These procedural rules are for all finance staff.

PROCEDURES

The following procedures are addressed by these guidelines:

- journal entries;
- reconciliations;
- internal control processes; and
- internal audit.

Journal Entries

Journal entries may be required from time to time to record internal transactions, to apportion bulk revenues and expenses to individual cost centres, and as correcting entries.

All journal entries should have supporting documentation which clearly indicates the basis and amounts of the journal entries.

Journal entries should not be made to the General Ledger where it is reasonable to enter or adjust a transaction within an interfaced module or system which created the need for the adjustment.

Reconciliations

Periodic reconciliations are an important control measure and are required to ensure the integrity of the balances in the financial system is being maintained. Reconciliations with appropriate supporting documentation may be prepared by various staff, but must be reviewed and signed-off by the appropriate Manager.

Where amounts are identified from reconciliations as requiring adjustment, the adjustment should be made to the appropriate accounting period as part of the reconciliation task. The current month's reconciliation cannot be signed-off until all relevant adjustments from the prior month have been processed as appropriate.

Internal Control Processes

Internal controls minimise the possibility of fraud, theft, inefficiency and waste. They should provide for probity in all financial operations and protect staff. The controls should assist in the prevention and detection of fraud and error.

Internal controls should also provide an adequate audit trail. They must ensure, as far as practicable, that actions and decisions are visible.

All accounting systems should have inbuilt controls to minimise unauthorised access and the likelihood of fraud.

Managers should ensure that all their staff have access to all relevant procedures, guidance and directions to enable those staff to correctly perform their functions and duties.

Staff who become aware of either a deficiency in internal control procedures or any failures to adhere to internal controls, should refer their concerns to either their supervisor or manager, the CFO, or Internal Audit for attention and correction.

The Senior Executive Responsible for Business Integrity Risk (SERBIR) is the nominated officer to receive reports in cases of suspected fraud and is responsible for initial follow-up and formal reporting in accordance with the *Fraud Control Plan*. For more information on fraud, refer to DGFI - Integrity and Reporting.

REFERENCES

Source	Description
FMA	s31
FMA Regs/FMOs	n/a
Other legislation/regs	n/a
Related DGFIs	n/a
Related Guidelines	n/a