



Review of the “Cost-effective Internal Control Guidelines – Underpinning Agency Performance”

Invitation to Comment

**TOPIC PAPER 5 –
SPECIFIC ISSUES**

Prepared by Queensland Treasury
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Introduction

Queensland Treasury is publishing this Topic Paper to contribute to the review and update of the guidance document *Cost-effective Internal Control Guidelines: Underpinning Agency Performance* (the Guidelines). With Queensland's public sector financial legislation being rewritten on a principles-based approach, there will be increased reliance on guidance material to assist agencies with applying the new legislation to their individual circumstances.

This Topic Paper focuses on other issues that departments and statutory bodies would like included in the revised guidance material.

All interested stakeholders are invited to review the Topic Paper and provide feedback to fmbregistrations@treasury.qld.gov.au by **Monday 22 September 2008**.

All feedback will be reviewed, and incorporated where it is considered to enhance the project and subsequent Guidelines.

Comments are most helpful if they contain a clear rationale and, where applicable, provide an alternative suggestion.

Enquiries about the Topic Papers should be addressed to either:

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Issues

New public sector financial legislation, the Financial Accountability Bill, is currently being drafted following a comprehensive review of the Financial Administration and Audit Act.

Topic Papers 1 to 4 have considered:

- the format of the new Guidelines
- an overview of the proposed contents of the Guidelines
- specific issues with respect to the new chief finance officer and head of internal audit roles
- specific issues with respect to the new statement of assurance requirements.

The purpose of this Topic Paper is to obtain feedback from stakeholders on other specific issues considered beneficial for inclusion in the new Guidelines.

Proposals

While Topic Paper 2 provided an overview of the proposed contents of the new Guidelines, feedback is sought regarding specific issues which could receive coverage.

During the review of the Financial Administration and Audit Act and subordinate legislation, stakeholders provided feedback that guidance would be beneficial over a number of specific areas, including:

- consideration points when providing a Government guarantee or indemnity
- information about dealing with gifted/bequeathed investments, e.g. benefits of engaging an expert
- the formation of trust accounts
- considerations for establishing cost-effective delegations within an agency
- expenditure approvals for statutory bodies
- issues relating to Financial Management Practice Manuals, e.g. frequency of reviews, level of detail
- the role of internal audit with regards to the preparation of financial statements
- the establishment of an internal audit function by statutory bodies, e.g. using a departmental internal audit function and
- dealing with and reporting losses.

It is proposed that each of these issues will receive coverage in the new Guidelines.

Treasury is also cognisant that the size and complexity of departments and statutory bodies varies considerably. It is therefore proposed that, where possible, the Guidelines will consider issues from both a large and small agency perspective.

Invitation to Comment Questions

1. Are there any other specific issues you would like covered in the Guidelines? If so, please provide details.
2. Please provide other comments, if any, on the issues outlined in this topic paper.