

Disclaimer: This is guidance material only and does not replace a familiarity with the legislation. For further information refer to the legislation and please check the website regularly for updates and other information.

Accountable Authorities; Financial Management Policies and Procedures

At a glance

- Section 3.6 of the *Government Sector Finance Act 2018* (GSF Act) requires the Accountable Authority to develop and maintain financial management policies and procedures.
- An agency's existing accounting manual, developed and maintained under section 11(3) of the *Public Finance and Audit Act 1983* (PFAA Act), should be reviewed and updated in accordance with the GSF Act.

This Factsheet contains information regarding the new requirements which the Accountable Authority of an agency needs to be aware of.

New requirements for Accountable Authority.

The GSF Act requires the Accountable Authority for each GSF agency to develop, maintain and make available financial management policies and procedures.

This is a **new requirement** under section 3.6(1)(a) of the GSF Act. However, section 11(3) of the *Public Finance and Audit Act 1983* (PFAA Act) required authorities to prepare and maintain an **accounting manual** for internal use. It is therefore likely that most GSF agencies will already have financial management policies and procedures in place.

The Accountable Authority is required to determine whether their agency's existing financial management policies and procedures are sufficient to comply with the GSF Act.

Section 3.6 of the GSF Act imposes specific requirements on Accountable Authorities which should be considered when determining whether existing policies and procedures are sufficient. These include establishing, maintaining and keeping under review:

- the agency's risk management, internal control and assurance processes; and
- arrangements for protecting the integrity of financial and performance information.

These requirements are similar to the internal control and audit requirements under the PFAA Act.



Action

The Accountable Authority of a GSF Agency can start by reviewing the agency's current **accounting manual** to determine if the policies contained therein are sufficient to be compliant with the GSF Act. Section 3.6 of the GSF Act covers similar topics to Section 11(3) of the PFAA Act.

Where can I find more information?

Treasury has previously issued the following **mandatory policies and guidance**:

- [TPP15-03](#) Internal Audit and Risk Management Policy
- [TPP16-02](#) Shared arrangements for Audit and Risk Committees
- [TPP17-08](#) Requirements for issuing, managing and reporting instruments of assurance
- [TPP12-03](#) Risk management toolkit (3 Volumes)
- [TPP17-06](#) Certifying the effectiveness of internal controls over financial information.

If an agency adheres with these policies, the Accountable Authority will comply with their obligations under this section of the GSF Act.

Finally, the Accountable Authority should also have regard to any Treasurer's directions and regulations issued in relation to their obligation to develop, maintain and make available financial policies and procedures for their GSF agency. Treasurer's directions will be circulated when they are issued and will be published on the [NSW Legislation Website](#) and the [NSW Treasury Website](#).

Examples of financial management policy and procedures

Below is a list of financial management policies which an agency may be expected to satisfy section 3.6 of the GSF Act.

Topic	Sub-topic
Risk Management	Risk Management Framework
	Managing Risk
	Preventing Fraud
	Insurance Policy
	Investment Risk/Business Cases
	Business Continuity
Internal Audit	Internal Audit Charter
	Accounting Policies
	Financial Reporting
Audit and Risk Committee	Audit and Risk Committee Charter
Topic	Sub-topic
Integrity of Financial of Information	Internal Controls
	Chief Financial Officer Functions
	Fraud and Corruption
Expenditure	Acquisition of Assets, Goods and Services
	Procurement
	Purchasing Cards
	Gifting
	Ex-gratia Payments

Need more information?

For more detail refer to the following in the GSF Act:

- Section 3.6 – Policies and procedures for financial management of GSF agencies

Email the Legislation team at legislation@treasury.nsw.gov.au.