

# Financial and Performance Management Standard 2019

Explanatory notes for SL 2019 No. 182

made under the

*Financial Accountability Act 2009*

## General Outline

### Short title

*Financial and Performance Management Standard 2019* (the Standard)

### Authorising law

Section 57 of the *Financial Accountability Act 2009* (FA Act)

### Policy objectives and the reasons for them

Section 54 of the *Statutory Instruments Act 1992* provides that subordinate legislation expires on 1 September first occurring after the tenth anniversary of the day of its making, unless it is sooner repealed or expires, or a regulation is made exempting it from expiry.

The *Financial and Performance Management Standard 2009* (2009 Standard), which is due to expire on 1 September 2019, crucially provides a framework for agencies to develop and implement systems, practices and controls for the efficient, effective and economical financial and performance management of their department/statutory body. As it continues to effectively and efficiently provide said framework, it is proposed to be remade.

Most of the proposed amendments are administrative in nature and reflect current practice and/or updated wording. Three more significant changes improve the efficiency and effectiveness of the Standard:

- Amendments have been made to provisions concerning Treasurer powers under the Standard, to allow those powers to be delegated to appropriately qualified employees. In order for a delegation to occur the Treasurer is required to execute a delegation instrument; meaning that whilst these powers are delegable, they are not automatically delegated. These amendments provide the Treasurer greater flexibility to delegate responsibilities where assessed as appropriate and desirable.

- A number of provisions have been amended to provide an increased emphasis on the importance of digital and ICT controls by requiring accountable officers/statutory bodies “to have regard to” the Queensland Government Enterprise Architecture (QGEA). The changes recognise the risks that ICT presents and reinforce the importance of protecting both agencies and the State against those risks.
- Provisions regarding contract performance guarantees have been streamlined, and the criteria for allowable security providers broadened. By streamlining the provisions and moving the detail to supplementary policy documents, the provisions are better aligned with the objectives of the Standard. By broadening the criteria for allowable security providers, the Treasurer has greater discretion to approve providers deemed appropriate, for example, where they are Commonwealth government backed but currently fall outside of the criteria.

## **Achievement of policy objectives**

The 2009 Standard has been amended as necessary to ensure its continued efficiency and effectiveness, and to ensure the provisions remain current and fulfil their objective. Having these provisions located in the Standard and not the Act is vital for administrative ease and the meeting of strict timeframes. Hence, it is necessary to remake the 2009 Standard as opposed to letting it lapse, or moving the provisions into the FA Act.

Remaking the 2009 Standard with no amendments means the Standard would be using outdated or redundant wording and practices. Further, by not making the three more significant changes the ability for the Standard to achieve its objectives would be hindered by provisions that do not fit within the principles-based approach of the Standard, lack flexibility, and restrict Treasurer discretion.

## **Consistency with policy objectives of authorising law**

The Standard is consistent with the main objectives of the FA Act, including to provide key financial accountability requirements for accountable officers and statutory bodies in the management of their functions and accounts. The Standard itself provides more detail regarding those compliance requirements.

## **Inconsistency with policy objectives of other legislation**

The Standard is consistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The Standard will not directly result in additional expenditure and as a result will not require allocation of additional funds for its implementation.

## **Consistency with fundamental legislative principles**

The Standard is consistent with fundamental legislative principles.

## Consultation

The following bodies have been consulted during the initial review of the 2009 Standard for currency and during formation of the proposed amendments to be included in the Standard (where appropriate):

- across departments via the Chief Financial Officer forum
- Queensland Treasury Corporation
- Department of the Premier and Cabinet
- Queensland Audit Office
- Queensland Government Chief Information Office, and
- Queensland State Archives.

The amendments to the 2009 Standard were drafted to reflect the feedback received during consultation with these bodies.

The Queensland Productivity Commission (QPC) was consulted regarding the need to prepare a Regulatory Impact Statement. The QPC advised that a Regulatory Impact Statement was not required.