



Australian Government

**Office of the Australian Building and
Construction Commissioner**

Commissioner's Instructions

Process Owner: Commissioner
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Change History

Date	Nature of Change
June 2011	New version issued
June 2011	Instruction 9 updated to include provision of hospitality and addition of Instruction 22 'Sponsorships, Advertising and Events'
October 2010	Issued by new Commissioner.

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Certification

Commissioner's Instructions

I, Leigh Johns, approve the issue of these Commissioner's Instructions (CIs) in accordance with my powers as Chief Executive Officer of the Office of the Australian Building and Construction Commissioner (ABCC) under section 52(1) of the *Financial Management and Accountability Act 1997* (FMA Act) and FMA Regulation 6, which authorise me to give instructions to officials in the ABCC on any matter necessary or convenient for carrying out or giving effect to the FMA Act 1997, Regulations and Orders with effect from [23 June 2011](#).

Leigh Johns
ABC Commissioner
[23 June 2011](#)

1. Foreword

- 1.1 Under Section 52(1) of the *Financial Management and Accountability Act 1997* (FMA Act) the Chief Executive (Commissioner) may issue instructions to ensure the proper management of and accountability for ABCC resources. In the ABCC these instructions are referred to as the Commissioner's Instructions (CIs) and should be read in conjunction with the ABCC Finance Directions.
- 1.2 The scope and content of the CIs must not be inconsistent with the Financial Management and Accountability Act, Regulations and Orders.
- 1.3 CIs carry the force of law and must, therefore, be complied with by staff of the ABCC. Staff may be subject to disciplinary or legal action where they fail to comply.

2. Delegations

- 2.1 All ABCC staff are responsible for ensuring that resources are used in an efficient, effective and ethical manner. They must also comply with applicable laws and regulations including these CIs and associated Finance Directions.
- 2.2 Staff occupying positions detailed in the Financial Delegations Schedule have been delegated the legal authority to exercise powers and carry out actions as specified in the schedule. These staff are referred to as Delegated Officials. They are personally accountable for their decisions and actions and must exercise their delegations in accordance with the principles detailed below:
 - A person who has been formally appointed to act in a position can exercise any delegations that attaches to that position, subject to any limits or conditions that may be imposed.
 - A Delegated Official cannot sub-delegate. A Delegated Official may appoint a person or group, such as a committee, to advise about the exercise of a delegation, but the Delegated Official remains responsible for making the decision.
 - Staff are not compelled to exercise delegations. The fact that a staff member holds a delegation does not oblige the staff member to exercise the delegation if, in the opinion of the Delegated Official some special or unusual circumstances are involved which make it sensible that the issue should receive consideration at a more senior level.
 - The exercise of a delegation must relate to the whole of a transaction not to parts thereof. (e.g. it is not possible to approve the payment of instalments for the acquisition of an item where the total cost is above the financial limit held by the delegate.)

3. Audit Committee

- 3.1 The ABCC will maintain an Audit Committee responsible for advising and assisting the Commissioner with the execution of sound corporate governance, management of risk and the assessment and review of internal controls.
- 3.2 All ABCC officers are required to comply with the requests of the Audit Committee.

4. Internal Audit

- 4.1 The ABCC will maintain an internal audit function as deemed necessary by the Audit Committee.
- 4.2 The overall objective of the internal audit function is to assist all levels of management in the effective discharge of their responsibilities by providing independent analysis, appraisals, advice and recommendations.
- 4.3 Internal audit reports through the Audit Committee to the ABCC Commissioner and the Executive in accordance with the Internal Audit Charter.

5. Risk Management & Fraud Control

5.1 Risk Management

- 5.1 The Audit Committee is responsible for ensuring that the risk management and related plans are reviewed every three years, or more frequently if a significant new function, process or activity is introduced.

5.2 Fraud Control

- 5.2.1 The Audit Committee is responsible for ensuring that a fraud risk assessment is undertaken and the fraud control plan reviewed at least every two years or more frequently if there are significant changes within the ABCC.
- 5.2.2 A Delegated Official is responsible for fraud reporting.

6. Financial Systems

- 6.1 A Delegated Official is responsible for ensuring that financial systems are developed and maintained in line with corporate strategies.

7. Accounts, Records & Accountable Forms

- 7.1 A Delegated Official is to ensure that the ABCC's accounts and records properly record and explain the transactions and financial position of the ABCC.

8. Budget Management

8.1 External Budget

- 8.1.1 The Chief Financial Officer is responsible for ensuring that the ABCC's budget is prepared in accordance with the Government's budgetary guidelines and timeframes as issued by the Department of Finance and Deregulation.

8.2 Internal Budget

- 8.2.1 The ABCC's delegated Budget Managers are responsible for developing the budget for their group (Operations, Corporate or Legal) and submitting the Budget to the Executive for approval.
- 8.2.2 The Executive is responsible for determining overall spending priorities and approving the ABCC's internal budget.
- 8.2.3 Budget Managers are expected to operate within their approved budget allocation.
- 8.2.4 The Chief Financial Officer is responsible for providing Budget Managers with monthly budget reports.

9. Hospitality & Gifts

- 9.1 A Delegated Official is responsible for:
- ensuring that staff are aware of their responsibilities in relation to giving and receiving hospitality and gifts.
 - maintaining a Register of Hospitality and Gifts received and given.

10. Procurement of Goods & Services

- 10.1 The ABCC will maintain a Contract Management Committee (CMC) with responsibility for purchasing practices within the ABCC.
- 10.2 All procurement and contract execution must be approved by a Delegated Official.

11. Payment of Accounts

- 11.1 Payments shall only be made for goods or services that have been:
- approved by a Delegated Official;
 - verified by an appropriate ABCC employee that the "Goods and/or Services have been Satisfactorily Received"; and
 - "Certified Correct for Payment" by a Certifying Official appointed by the Chief Financial Officer.

12. Purchasing Card

- 12.1 The delegated Card Issuing Official must:
- not issue a credit card to an employee unless the employee has a need that is supported by their Manager;
 - ensure that cardholders fully understand, and acknowledge in writing, the conditions set out in the Cardholder Agreement and Acknowledgment Form and these CIs;

- review patterns of credit card usage annually with a view to cancelling cards that are not being used;
- keep proper records of credit cards issued and relevant details of cardholders such as financial limits, etc.; and
- ensure that credit card transactions are recorded in the general ledger prior to cut-off each month.

12.2 Cardholders must:

- ensure the safe custody and security of the card;
- comply with any conditions associated with using the card;
- not use the facility for personal expenses; and
- report a lost card immediately to the Card Issuing Official.

13. Payroll

13.1 The National HR Director must:

- issue directions and procedural instructions to employees involved in payroll processing;
- ensure that employees involved in payroll processing are adequately trained;
- set in place appropriate internal controls (including separation of the input function from the certification function);
- ensure that outstanding debts are recovered as soon as possible; and
- reconcile each pay to the general ledger.

13.2 Managers are responsible for promptly notifying HR of employee resignations/departures and transfers.

13.3 A Delegated Official independent of payroll preparation is to regularly check the fortnightly and monthly payrolls to ensure all payees are bone fide.

14. Taxation

14.1 A Delegated Official is to ensure that the ABCC meets its obligations under the Commonwealth Fringe Benefits Tax and the Goods and Services Tax legislation.

15. Travel

15.1 Staff proposing to travel are to firstly obtain approval from a Delegated Official.

16. Travel Credit Card

16.1 The official delegated to issue travel MasterCards must:

- not issue a travel MasterCard to an employee unless the employee has a demonstrated need that is supported by their Team Manager;
- ensure that cardholders fully understand, and acknowledge in writing, the conditions set out in the Cardholder Agreement and Acknowledgment Form and these CIs;
- review patterns of travel MasterCard usage annually with a view to cancelling cards that are not being used;
- keep proper records of credit cards issued and relevant details of cardholders such as financial limits, etc.; and
- ensure that credit card transactions are recorded in the general ledger prior to cut-off each month.

16.2 Cardholders must:

- ensure the safe custody and security of the card;
- comply with any conditions associated with using the card;
- not use the facility for personal expenses; and
- report a lost card immediately to the Card Issuing Official.

17. Vehicle Usage

17.1 The use of official vehicles must be approved by an employee's manager.

17.2 The use of a private vehicle for official business must be approved by the relevant Assistant Commissioner.

18. Non-financial Asset Management

18.1 The Chief Financial Officer is to maintain an 'Asset Register' as the basis for physical control over non-financial assets and for reporting assets in the financial statements.

18.2 The approval of a Delegated Official must be obtained prior to the purchase, sale, trade-in or write-off of non-financial assets.

18.3 Managers have responsibility for managing non-financial assets within their area of responsibility.

19. Appropriations & Drawing Rights

19.1 A Delegated Official is responsible for issuing appropriation drawing rights.

20. Cash Management

20.1 Bank Accounts

- 20.1.1 A Delegated Official has the power to open and close bank accounts.
- 20.1.2 A Delegated Official has responsibility to ensure the efficient and effective administration of ABCC bank accounts and to appoint account signing officers.

20.2 Receiving Public Money

- 20.2.1 The officials delegated to receive and bank public money are designated “Receiver of Public Money” (RPM).

20.3 Cash Advances

- 20.3.1 The ABCC is not to maintain any cash advances.

20.4 Loss of Public Money

- 20.4.1 A Delegated Official is responsible for investigating reports of losses of public money.

21. Debt Management

- 21.1 A Delegated Official has responsibility to ensure that the recovery of debts is pursued in accordance with the Finance Directions.

22. Sponsorship, Advertising and Events

- 22.1 Staff proposing to publically use the ABCC brand must first obtain approval from a Delegated Official.