Government of **Western Australia**
Department of **Treasury and Finance**

Treasurer's instructions

November 2026

Treasurer’s instructions

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Acknowledgement of Country

This instruction was prepared by the Department of Treasury and Finance (DTF) on the traditional Country of the Whadjuk people of the Noongar Nation.

DTF respectfully acknowledges the Traditional Custodians of Country throughout Western Australia and their continuing connection to Country, Culture and Community.

We pay our respects to all members of Western Australia’s Aboriginal communities and their cultures and to Elders past and present.

We acknowledge and pay tribute to the strength and stewardship of Aboriginal people in sustaining the world's oldest living culture and value the contribution Aboriginal people make to Western Australia's communities and economy.

We recognise our responsibility as an organisation to work with Aboriginal people, families, communities, and organisations to make a difference and to deliver improved economic, social and cultural outcomes for Aboriginal people.

Further information relating to this report may be obtained by emailing
Financial.Policy@dtf.wa.gov.au

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Foreword

Introduction

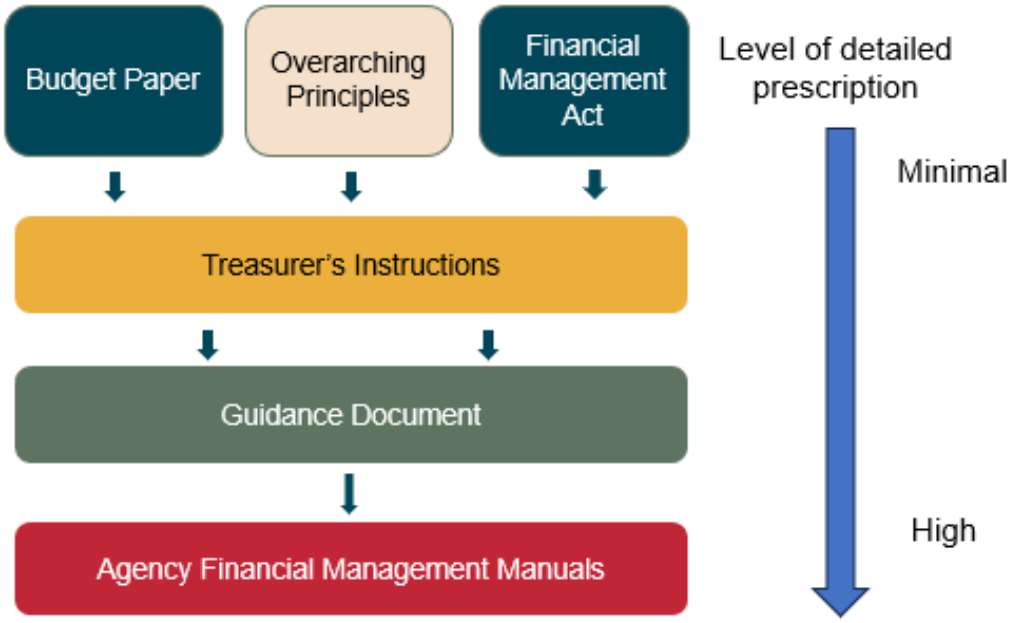
Section 78 of the *Financial Management Act 2006* (the Act) provides that the Treasurer may issue instructions with respect to matters in the financial management of the State. The 'Treasurer's instructions' have the force of law and therefore must be observed by all agencies to which they apply. It should be noted that Treasurer's instruction 1 *Foundation – Requirement 2 Exemptions* empowers the Treasurer to grant exemptions from the requirements of Treasurer's instructions where he/she considers it warranted.

The Treasurer's instructions adopt a principles-based approach guided by five overarching principles, emphasising agency accountability in demonstrating understanding and compliance through financial management manuals and annual reporting. Ten foundational Treasurer's instructions have been developed based on these principles.

The Treasurer's instructions prescribe requirements at a minimum level on such matters as accounting for revenue, expenditure and property, the standards of reporting and such other matters necessary to achieve the objects and purposes of the Act. They contain sufficient flexibility to be applied to agencies of all sizes and scope, from centrally funded departments to those statutory authorities that operate in a commercial environment.

Western Australia Financial Management Framework

The financial management framework in Western Australia operates within a four-tier system, as illustrated below:



- **Financial Management Act** – the *Financial Management Act 2006* sets out the statutory obligations with which agencies must comply.
- **Budget Paper** – this specifically refers to Chapter 1 of Budget Paper No. 2, which provides high-level obligations on the agencies' spending.
- **Overarching Principles** – supported by legislation, these principles guide agencies in understanding and fulfilling their obligations.
- **Treasurer's instructions** – establish minimum requirements for legal compliance with limited prescription.
- **Guidance Document** – detailed, topic-specific policies to assist agencies in meeting their financial, operational and regulatory obligations.
- **Agency Financial Management Manuals** – contain detailed, highly prescriptive policies at the agency level.

Presentation

The Treasurer's instructions ensure consistent financial management practices across agencies. They comprise three mandatory components:

Requirements

This section outlines the mandatory requirements that agencies must comply with. It serves as a comprehensive guide for financial processes and accountability, ensuring that all agencies meet the minimum standards necessary for sound financial management. The requirements are designed to be clear, concise, and actionable, facilitating straightforward implementation and adherence.

Terms and Definitions

Clear terminology is essential for effective communication and understanding. This section provides precise definitions for key terms used within the requirements, promoting uniform interpretation across all agencies. By standardising the language used, it reduces ambiguity and ensures that all agencies have a common understanding of the requirements.

Scope and Application

Understanding the scope and applicability of these mandatory requirements is critical for agencies to determine their obligations accurately. This section clarifies which agencies fall under the purview of each instruction, clearly outlining the applicable boundaries. Moreover, it includes the last review date, the effective date, and the mapping to the retired Treasurer's instructions in the consequences of application.

Implementation

Treasurer's instruction 4 *Risk Management and Internal Control* – Requirement 1 *Financial Management Manuals* mandates accountable authorities, chief finance officer and senior management to ensure the agency has a fit for purpose Financial Management Manual. The financial management manual is the key document within an organisation that serves to promote sound practices, procedures, and policies in matters of financial management and assists in ensuring that they are adopted and followed.

To facilitate understanding, and compliance with, the requirements of the Treasurer's instructions they are supported, where appropriate, with the Financial Management Manual Guide and the Treasurer's Guidance Handbook.

- **Financial Management Manual Guide** – This guide assists agencies in developing key financial framework policies and procedures. It serves as a foundational document, guiding financial stewardship at all levels of management within the sector. By empowering Government agencies, the guide helps uphold the highest standards of financial responsibility and transparency.

- **Treasurer's Guidance Handbook** – The Treasurer's Guidance Handbook is a comprehensive resource that outlines the core expectations and requirements of financial management in the WA public sector. It is structured into chapters that aligns with the Treasurer's instructions and provides supplementary guidance to assist with applying the requirements when different scenarios arise.

In implementing procedures and practices to achieve compliance with the requirements of the Treasurer's instructions, accountable authorities should also be mindful of their responsibilities under section 53 of the Act. These include responsibility for efficiency and economy of operations and the development and maintenance of an effective internal audit function. Similarly, section 57 of the Act charges the chief finance officer with responsibility for the keeping of such accounting and information systems as will allow confirmation that all agency revenues and expenditures have been brought to account and for the day to day supervision of the accounting functions and the proper operation of the accounting systems of the agency.

In achieving compliance, procedures and practices must contribute to and be supported by an effective system of internal control that should have regard to the agency's risk management strategies. Internal controls promote efficiency by reducing the incidence of fraud, inefficiency and waste and help ensure the reliability of financial statements and compliance with written law and Government and organisational policies.

Overarching Principles

1. Accountability and Transparency

The accountable authority, chief finance officer and senior management demonstrate accountability and actively promote, integrity and impartiality, high standards of public administration, continuous improvement in performance, and sound financial management policies, principles, and practices.

1.1 Agencies are accountable to Ministers, Parliament and the community for prudent financial management, effective operations, promoting Government goals and good governance practices.

1.2 The agency's management should have clear oversight and accountability and clearly defined responsibilities.

1.3 The agency's annual report should support accountability and transparency by disclosing the activities, performance and compliance levels of the agency which is central to good corporate governance.

2. Sound Financial Governance

Established financial processes, procedures and controls that support an effective system of internal control and good governance. Complies with statutory reporting requirements, that supports accountability and transparency.

2.1 The accountable authority, chief finance officer and senior management must ensure there is an effective system of internal control over the financial and related operations of the agency.

2.2 The accountable authority, chief finance officer and senior management must ensure the agency has a fit for purpose Financial Management Manual, Delegation Schedule, and financial and administrative procedures which take into account legislation and other mandatory requirements, that are well defined, kept up-to date and readily accessible to staff.

2.3 The accountable authority shall ensure that the agency has an effective internal audit function that provides an independent, objective, risk-based review of an agency's performance and reports to an internal audit committee that is independently chaired.

3. Financial Sustainability

Promote and maintain the effective and efficient use of resources and public sector monies. Agencies should act prudently to maximise the efficient use of their limited resources and discourage unethical decision-making that does not align with stakeholders' interest.

3.1 Accountable authorities are to ensure approved budget is in place that will cover the required good or service cost for the life of the agreement, before committing Government.

3.2 Agencies should ensure responsible management of government procurement includes risk assessments, planning, evaluation, contract management, reporting, and publishing.

3.3 Accountable authorities are to ensure that their agency operates within the approved expense limit (total cost of services).

3.4 Money appropriated or otherwise approved for a certain purpose can only be used for that purpose. For example, specific purpose money held in a special purpose account cannot be used to fund the general operations of an agency.

3.5 The accountable authority shall ensure the full cost is accurately determined for each service the agency provide to ensure that the level at which tariffs, fees and charges are set is consistent with the cost recovery policy and does not exceed the full cost of providing the services, unless it is authorised by statute and approved by Government.

4. Risk Management

Established risk management policies, procedures and systems that identify, assess, control and mitigate risks. The risk management framework should include an oversight function that assesses the level of risk relative to the agency's risk appetite, including reporting and escalating relevant information to management.

4.1 Risk management should be integrated in the governance framework and be part of the strategic and operational planning process.

4.2 Agencies should have a risk management system or process that captures and tracks risks, controls, treatments and 'risk owners' accountable for managing risks, in a risk register.

4.3 Agencies should include fraud risk management into the Risk Management Program to minimise the likelihood and consequences of fraud events.

5. Internal Control

Established control environment that includes participation of management and oversight committees to ensure internal controls are abided by, as well as how employee responsibilities are assigned and managed.

5.1 The accountable authority is to ensure management participate in the oversight of internal controls to ensure they are abided by, as well as how employee responsibilities are assigned and managed.

5.2 The accountable authority, chief finance officer and senior management are to ensure there is appropriate segregation of responsibilities to promote multiple points of review for transactions and custody of public property.

5.3 An agency shall ensure that public property and other property controlled by the agency is recorded and appropriate measures are taken to protect property.

5.4 All expenditures must comply with all relevant policies, rules, and regulations.

5.5 The accountable authority must ensure the proper collection, protection and bringing to account all money and, where appropriate, the investment of 'other money' in authorised investments.

TI 1 Foundation

Requirements

1. Treasurer's instructions

1.1 The accountable authority must ensure that every officer has ready access to any written direction or determination issued by the Treasurer and any approved exemptions to the Treasurer's instructions applicable to the agency.

1.2 The Treasurer may delegate to an officer of Treasury any power or duty of the Treasurer under the Treasurer's instructions.

2. Exemptions

2.1 The Treasurer may in writing exempt an agency, or a class of agencies, from the provisions of the Treasurer's instructions, whether unconditionally or on specified conditions and either wholly or to such an extent as is specified or otherwise determined.

2.2 The accountable authority must ensure a register of exemptions granted by the Treasurer is established and maintained and is available for inspection by the Auditor General.

2.3 If there is a new requirement that is the same, or substantially the same, as the old requirement then, on and after 1 July 2024, any exemption granted to an agency, or a class of agencies, by the Treasurer in relation to the old requirement is taken to have effect for the new requirement.

3. Interpretation

3.1 In the Treasurer's instructions, unless the contrary intention appears:

(i) '**Appointment**' means the designation of a person, either by name or by position, to perform a function or, to be or do any other thing.

(ii) '**The Act'** means the *Financial Management Act 2006*.

(iii) '**Notes**' means the notes to the financial statements which accompany the financial statements and are prepared in accordance with standards issued by the Australian Accounting Standards Board.

(iv) '**Regulations**' means the *Financial Management Regulations 2024.*

(v) **'Agency'** means a State entity that is subject to the *Financial Management Act 2006* but excludes the four universities listed in Schedule 1 of the Act unless expressly stated otherwise in the applicable Treasurer's instruction.

(vi) **'Treasury'** means the Department of Treasury and Finance.

Terms and Definitions

Old Requirement	A requirement issued under Revoked Treasurer's instructions.
New Requirement	A requirement issued under New Treasurer's instructions.
Revoked Treasurer's instructions	The Treasurer's instructions issued by the Treasurer under section 78 of the Act as in effect immediately before 1 July 2024.
New Treasurer's instructions	The following Treasurer's instructions issued by the Treasurer under section 78 of the Act as in effect on 1 July 2024: (i) Treasurer's instruction 1 *Foundation*; (ii) Treasurer's instruction 2 *Accountability*; (iii) Treasurer's instruction 3 *Financial Sustainability*; (iv) Treasurer's instruction 4 *Risk Management and Internal Control*; (v) Treasurer's instruction 5 *Expenditure and Payments*; (vi) Treasurer's instruction 6 *Income and Receipts*; (vii) Treasurer's instruction 7 *Special Purpose Accounts*; (viii) Treasurer's instruction 8 *Financial Accounting and Reporting*; (ix) Treasurer's instruction 9 *Financial Statements*; and (x) Treasurer's instruction 10 *Internal Audit*.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies and the four universities listed in Schedule 1 of the Act.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 2 Accountability

Requirements

1. Accountability and Transparency

1.1 Agencies are accountable to Ministers, Parliament and the community for:

(i) Prudent financial management: Agencies must handle financial resources responsibly to ensure effectiveness and efficiency;

(ii) Effective operations: Agencies are expected to effectively and efficiently carry out their functions and achieve objectives;

(iii) Promoting Government goals: Agencies play a role in advancing broader Government objectives and policies; and

(iv) Good governance practices: Adherence to principles of good governance, including transparency, accountability, and fairness.

1.2 Agencies are to articulate and define the financial responsibilities and accountability of management in a clear and precise manner.

1.3 The agency's annual report must support accountability and transparency by disclosing:

(i) Activities: Detailing actions and initiatives undertaken during the reporting period;

(ii) Performance: Assessing how well the agency has achieved its goals and objectives; and

(iii) Compliance levels: Addressing the extent to which the agency has complied with relevant laws, regulations, and internal policies.

2. Chief Finance Officer

2.1 The accountable authority must ensure:

(i) the chief finance officer of the agency has direct access to the accountable authority of that agency; and

(ii) the incumbent chief finance officer is suitably qualified.

Terms and Definitions

Incumbent Chief Finance Officer	The substantive occupant or the occupant acting beyond a period of three months in the position of the chief finance officer.
Suitably Qualified	For the purposes of this instruction 'suitably qualified' means: (i) current membership of CPA Australia as a CPA; or (ii) current membership of Chartered Accountants Australia and New Zealand as a Chartered Accountant; or (iii) current membership of the Institute of Public Accountants as a Member of the Institute of Public Accountants; and (iv) possess relevant experience, skills and knowledge as determined by the accountable authority appropriate for the size, complexity, and type of agency after taking into account the responsibilities of a chief finance officer under section 57(2) of the Act.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies and the four universities listed in Schedule 1 of the Act.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 3 Financial Sustainability

Requirements

1. Financial Sustainability

1.1 Before committing public money, agencies must establish an approved budget that sufficiently covers the cost of the required goods or services for the duration of the agreement.

1.2 Agencies are to ensure responsible management of government procurement, including risk assessments, strategic planning, evaluation, contract management, reporting and publishing.

1.3 The accountable authority, chief finance officer and senior management are responsible for ensuring that their agency operates within the approved expense limit, encompassing the total cost of services.

1.4 Money appropriated or otherwise approved for a certain purpose can only be used for that purpose – e.g. specific purpose money held in a special purpose account cannot be used to fund the general operations for an agency.

2. Resource Agreements

2.1 For the purposes of section 42(2)(a) of the Act, a draft resource agreement must be in the form of the relevant template outlined in Treasurer's Guidance 13 *Treasury Forms and Templates*:

(i) Template 1 – for use by agencies with one portfolio Minister;

(ii) Template 2 – for use by agencies with multiple portfolio Ministers;

(iii) Template 3 – for use by agencies who do not require Minister's agreement under section 43(2) of the Act; and

(iv) Template 4 – for use by agencies who have no relationship to Government goals.

2.2 For the purposes of section 61(2) of the Act, agencies must use Template 5 outlined in Treasurer's Guidance 13 *Treasury Forms and Templates* to report on the extent to which an agency achieved any targets described in the resource agreement.

3. Guarantees and Indemnities

3.1 A surety is to be granted by the Treasurer with Cabinet's prior approval.

3.2 An agency must:

(i) establish and maintain a register for all statutory guarantees and indemnities granted by the agency;

(ii) maintain documented criteria, procedures, and guidelines for the assessment (including risk analysis), evaluation, approval, granting and monitoring of guarantees and indemnities; and

(iii) implement and maintain adequate controls to ensure the safe custody of documents relating to Requirement 3.2(ii).

3.3 The Under Treasurer must maintain a register for sureties.

4. Borrowings

4.1 For the purpose of establishing an approved borrowing limit, the accountable authority must submit the following to the Under Treasurer:

(i) proposals for borrowings over the budget and outyears for approval during the annual Budget and Mid-Year Review processes; and

(ii) proposals for borrowings in excess of the limit approved under Requirement 4.1(i) for approval by the Treasurer, after approval by their responsible Minister.

5. Key Performance Indicators

5.1 The accountable authority must disclose the following in the annual report for the relevant reporting period:

(i) the outcomes, and key effectiveness indicators for each outcome;

(ii) the services, and key efficiency indicators for each service;

(iii) when the preparation of key efficiency indicators is demonstrably impracticable, key cost effectiveness indicators for each outcome;

(iv) the relationship between the Government goals (if applicable), the outcomes and the services;

(v) a comparison between actual results and budgeted targets for the key effectiveness and efficiency indicators, accompanied by explanatory narratives detailing the reasons for, and nature of, any material variances.

5.2 Any changes that add, modify or discontinue outcomes, services, or key effectiveness/efficiency indicators for a reporting period are subject to the following requirements:

(i) such changes must have received prior approval on or before the end of the reporting period; and

(ii) such changes must be disclosed and explained in the annual report.

5.3 Where changes result in an agency not reporting a key effectiveness indicator for an outcome or a key efficiency indicator for a service (or key cost effectiveness indicator for an outcome) in a reporting period, the following requirements apply:

(i) such changes must be directed by the Treasurer under section 61(1)(b) of the Act on or before the end of the reporting period; and

(ii) such changes must be disclosed and explained in the annual report.

6. Certification of Key Performance Indicators

6.1 Key performance indicators must be accompanied by a statement of certification, in which the accountable authority declares whether, in their opinion, the key performance indicators:

(i) are based on proper records;

(ii) are relevant and appropriate for enabling users to assess the agency's performance; and

(iii) provide a fair representation of the performance of the agency and, where applicable, its subsidiaries and related bodies for the financial year.

6.2 The certification required under Requirement 6.1 of this instruction must be signed and dated by the accountable authority, subject to the following provisions:

(i) where the accountable authority is an individual, the statement must be signed by that individual; or

(ii) where the accountable authority is a body, the statement must be signed by two members of that body, following a resolution of the body providing for the inclusion of the key performance indicators in the annual report.

6.3 Where an agency has been abolished, the certification required by Requirement 6.1 of this instruction must be signed and dated by the reporting officer.

7. Explanatory Statement

7.1 Requirements 7.2 and 7.3 apply to the accountable authorities of:

(i) General Government Sector agencies preparing Annual Estimates; and

(ii) the Public Transport Authority of Western Australia.

7.2 The notes to the financial statements of agencies must include a comparison of actual results with both the original budgeted financial statements and the prior period's actual results for each controlled line item. This must be accompanied by an explanatory narrative setting out:

(i) the reasons for and details of any major variance between actual and estimated figures for these items; and

(ii) the reasons for and details of any major variance between actual figures for the current period and those of the prior period for these items.

7.3 The notes to the financial statements of departments must include a comparison of actual results with both the original budgeted financial statements and the prior period's actual results for each administered income and expense line item. This must be accompanied by an explanatory narrative setting out:

(i) the reasons for and details of any major variance between actual and estimate figures for these items; and

(ii) the reasons for and details of any major variance between actual figures and those of the prior period for these items.

7.4 Requirement 7.5 applies to the accountable authorities of:

(i) Public Non-Financial Corporations preparing Annual Estimates, except the Public Transport Authority of Western Australia; and

(ii) Public Financial Corporations preparing Annual Estimates.

7.5 The notes to the financial statements of agencies must include a comparison of actual results with both the original budgeted financial statements and the prior period's actual results for each income and expense line item. This must be accompanied by an explanatory narrative setting out:

(i) the reasons for and details of any major variance between actual and estimated figures for these items; and

(ii) the reasons for and details of any major variance between actual figures and those of the prior period for these items.

Terms and Definitions

Annual Estimates	The original budget for the relevant financial year and can be: (i) estimates published in the budget papers; or (ii) estimates published in accordance with Treasurer's Guidance 9 *Financial Statements*; or (iii) estimates published in the statement of corporate intent (or business/operational plan) of a statutory authority.
Borrowings	For the purpose of Requirement 4, 'borrowings' excludes: (i) lease liabilities recognised in accordance with Australian Accounting Standard AASB 16 *Leases*; and (ii) service concession financial liabilities recognised in accordance with Australian Accounting Standard AASB 1059 *Service Concession Arrangements: Grantors*.
Government Goal	An expression of high-level policies and/or priorities that support the Government's vision. Outcomes contribute to these goals.
Guarantee or Indemnity	Means: (i) a statutory guarantee or indemnity; or (ii) a surety which exposes the grantor to a potential liability but does not include: (a) an indemnity granted as part of, and incidental to, an agreement, transaction or arrangement between the grantor and the recipient or beneficiary of the indemnity, the principal purpose of which is to perform the grantor's function; and (b) an indemnity granted to a person in the performance of their duties for the State.
Key Performance Indicators	Provides an overview of the critical or material aspects of outcome achievement and service delivery.
Key Effectiveness Indicator	To provide information on the extent of, or progress in a reporting period towards, achievement of (i) an agency level government desired outcome through the delivery of services; or (ii) for universities listed in Schedule 1 of the Act, an approved strategic outcome/objective through the delivery of services.
Key Efficiency Indicator	To relate a service to the level of resource inputs required to deliver the service.
Key Cost Effectiveness Indicator	To relate achievement of (iii) an agency level government desired outcome to the level of resource inputs required to achieve the outcome; or (iv) for universities listed in Schedule 1 of the Act, an approved strategic outcome/objective to the level of resource inputs required to achieve the outcome/objective.

Major Variance	A variance, when compared with the estimate or prior period actual for a line item: (i) where qualitative evidence indicates omission of narrative disclosure could potentially mislead readers of the financial statements; or (ii) where narrative disclosure is required under a written law; or (iii) greater than 10% and greater than a dollar aggregate of; a. 1% of Total Cost of Services, when comparing variances of income and expense line items. Variances relating to changes in asset revaluation surplus are excluded from the definition of major variance for disclosure purposes; or b. 1% of Total Cost of Services, when comparing variances of cash flow line items not substantially explained elsewhere in other narrative disclosures; or c. 1% of Total Assets, when comparing variances of asset, liability and equity line items. Variances relating to cash assets, receivables, payables, contributed equity, accumulated surplus and asset revaluation surplus are excluded from the definition of major variance for disclosure purposes. The dollar aggregate calculated from Total Cost of Services and Total Assets is to be based on the estimate or the prior period actual, as appropriate. (iv) for a department's administered income and expenses line item, greater than 10% and greater than a dollar aggregate of 1% of Total Administered Income. The dollar aggregate calculated from Total Administered Income is to be based on the estimate or the prior period actual, as appropriate.
Outcome	The effect, impact, result on or consequence for the community, environment or target clients of Government services/a university's services. Generally, outcomes are expressed as: (i) agency level government desired outcomes, which refer to the outcomes that are pitched at a level more relevant to an agency and are required to link to Government goals. They are intended to bring about behavioral changes or satisfy community or client needs; or (ii) for universities listed in Schedule 1 of the Act, strategic outcomes/objectives approved by the university's governing body.
Prior Approval	Includes: (i) approval of the Under Treasurer; or (ii) approval of the university's governing body for universities listed in Schedule 1 of the Act.
Senior Management	Includes executives at the executive level or above.

Services	Include: (i) agencies services, denoting the supply of an activity or good to external users by an agency to achieve the agency level government desired outcome. These services can be classified as outputs, programs or policy advice; or (ii) for universities listed in Schedule 1 of the Act, university services, indicating the supply of an activity or good to external users by a university to achieve the strategic outcome/objective. These services can be classified as outputs or programs.
Statutory Guarantee or Indemnity	A guarantee or indemnity granted or arising under the authority of a written law.
Surety	A guarantee or indemnity which is not a statutory guarantee or indemnity and granted under the Crown's prerogative.

Scope and Application

Scope	Except for Requirement 7, the requirements in this Treasurer's instruction apply to all agencies. Requirements 5 and 6 also apply to the four universities listed in Schedule 1 of the Act. Requirement 7 applies as specified in the requirement.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	06 November 2026

TI 4 Risk Management and Internal Control

Requirements

1. Financial Management Manuals

1.1 The accountable authority, chief finance officer and senior management shall ensure that the agency maintains a fit for purpose Financial Management Manual, Delegation Schedule, and financial and administrative procedures which take into account legislation and other mandatory requirements, that are well defined, kept up-to-date and readily accessible to staff.

1.2 The accountable authority must annually certify the Financial Management Manual to the Under Treasurer, utilising Template 9 – Certification of Financial Management Manual as outlined in Treasurer's Guidance 13 *Treasury Forms and Templates*.

2. Risk Management

2.1 The accountable authority must ensure that:

(i) they take ultimate responsibility for the agency's risk management, including managing the strategic and operational risks of the agency in accordance with the risk management framework;

(ii) suitable risk management policies and procedures are developed and maintained, consistent with AS ISO 31000:2018;

(iii) risk management policies and procedures are periodically assessed and updated to ensure that they are suitable for managing risks inherent in the operations of the agency;

(iv) a risk management system or process is in place that captures and tracks risks, controls, treatments and 'risk owners' accountable for managing risks, in a risk register; and

(v) fraud risk management policies and procedures are developed and maintained to ensure the likelihood and consequences of fraud events are minimised.

3. Internal Control

3.1. The accountable authority, chief finance officer, and senior management are to ensure an effective internal control system is established and maintained for the agency's financial and related operations.

3.2. The accountable authority is responsible for ensuring that management actively oversees internal controls, ensuring compliance and effective assignment and management of employee responsibilities.

4. Insurance

4.1. Agencies must participate in RiskCover unless specifically exempted by the Treasurer.

5. Managing Foreign Exchange Risk

5.1. Before committing to any agreement or arrangement valued at A$50,000 (the threshold) or more and which carries a foreign exchange risk, the accountable authority must:

(i) obtain appropriate advice relating to the foreign exchange risk from the Western Australian Treasury Corporation; and

(ii) enter into an appropriate risk management strategy to manage the foreign exchange risk;

except where any written law applicable to the agency permits otherwise.

6. Custody of Public Property and Other Property

6.1. The accountable authority must ensure that public property and other property controlled by the agency is recorded and appropriate measures are taken to protect property.

6.2. Public property and other property must be checked against the particulars recorded in the property register or records of property at such times as the accountable authority determines, with a complete check being undertaken at least once every three financial years (stocktake).

7. Records of Public Property and Other Property

7.1. The accountable authority must ensure that registers are established and maintained for public property and other property controlled by the agency with a value of $5,000 or more.

7.2. The accountable authority must ensure that adequate records are maintained for public property and other property controlled by the agency with a value of less than $5,000.

Terms and Definitions

Certify (the Financial Management Manual)	The process by which the accountable authority formally affirms that the agency's financial management manual has been reviewed and is compliant with applicable laws, regulations, Treasurer's instructions and relevant standards. Certifying a financial management manual involves a thorough review to ensure that the manual reflects current financial practices, complies with applicable laws and regulations, and accurately represents the agency's financial management policies and procedures. This process will be conducted periodically, at a minimum annually, to confirm that the manual remains relevant and aligned with any changes in legislation, standards, or agency practices. Certification constitutes an official declaration that the manual is up-to-date and a reliable and authoritative source of guidance for financial management within the agency. It serves to demonstrate the agency's commitment to sound financial practices and adherence to regulatory requirements.
Risk Management	Refers to the coordinated activities to direct and control an agency with regards to risk.
Risk Management Framework	Refers to the set of components for integrating, designing, implementing, evaluating, and improving risk management throughout an agency.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies. Requirement 1 also applies to the four universities listed in Schedule 1 of the Act.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 5 Expenditure and Payments

Requirements

1. Authorisation of Payments

1.1 The accountable authority, chief finance officer and senior management are to ensure there is appropriate segregation of responsibilities to promote multiple points of review for transactions and payments.

1.2 The purpose of this requirement is to ensure the accountable authority has appropriate controls in place to enforce the segregation of duties in relation to the payment authorisation process, so that no single officer controls all aspects of this process including:

(i) ensuring the appointment is made, in writing, of one or more officers as a certifying officer, and, if required, an incurring officer; and

(ii) ensure that a register of appointments of certifying and incurring officers is established and maintained.

1.3 The accountable authority must ensure there is adequate segregation of duties in the procurement processes of the agency. This includes only allowing officers to perform one of the following functions in relation to a payment or transfer:

(i) ordering;

(ii) receiving;

(iii) incurring;

(iv) certifying.

1.4 The accountable authority and Internal Audit Committee of an agency can make alternative arrangements where Requirement 1.3 cannot be complied with. Provided these arrangements do not allow the same officer to perform the functions of incurring and certifying.

1.5 Before authorising a payment or transfer, a certifying officer must be satisfied that:

(i) The transaction has been properly authorised in accordance with the delegation arrangement in place within the agency;

(ii) Funds are available to make the payment that meet the requirements of the assigned purpose;

(iii) There is a valid claim;

(iv) The creditor's name, address and any other relevant identifying information are correctly recorded;

(v) Goods have been supplied and services have been performed, except where payment in advance is required;

(vi) Where a payment is not in relation to a good or service, the payment has been approved in accordance with relevant agency policies and procedures;

(vii) Payment or transfer charges, calculations, account to be charged, rates of charges and classification are correct; and

(viii) A discount for early payment has been considered, if applicable.

1.6 The ordering officer is responsible for raising a purchase order or commercial document equivalent, through the agency's approved purchase order process and system. Purchase orders must be created and approved prior to the acquisition of goods and/or services.

1.7 The accountable authority and Internal Audit Committee of an agency can determine suitable exemption arrangements where Requirement 1.6 cannot be complied with. Common agency exemption arrangements can be found in the Treasurer's Guidance 5.

1.8 No payment or transfer must be made from a bank account or charged to a special purpose account unless the payment or transfer has been authorised by a certifying officer, except in cases where payments are made by direct debit from an agency's bank account for payments of a recurring nature or for payments to the Western Australian Treasury Corporation.

For the purposes of Requirement 1.8, the term 'payments' does not include payments by credit cards or for salary and wages.

2. Credit Cards

2.1 The accountable authority may arrange for a Western Australian Government Purchasing Card (a 'credit card') to be issued to a person in line with business needs. A person to whom a credit card is issued is a 'cardholder' for the agency.

2.2 A credit card is not to be used for a personal purpose.

2.3 The accountable authority must approve a credit card policy for the agency.

2.4 The accountable authority must ensure that each cardholder is aware of their obligations under this instruction and the agency's credit card policy.

2.5 The accountable authority must ensure that records showing each expenditure item on a credit card are regularly reviewed by someone other than the cardholder (a 'reviewer'), in order to monitor compliance with Requirement 2.2. If a reviewer is of an opinion that a credit card has been used for a personal purpose, the reviewer must give a written notice of that opinion, and his or her reasons for that opinion, to the cardholder and the cardholder's notifiable authority.

2.6 A cardholder must, within five working days after becoming aware that he or she used a credit card for a personal purpose –

(i) give a written notice of the use of the credit card for a personal purpose to the chief finance officer of the agency and to the notifiable authority; and

(ii) pay the agency the amount of the expenditure incurred for a personal purpose (the 'personal use expenditure'); or

(iii) if disagreeing with a reviewer's opinion under Requirement 2.5, give the cardholder's notifiable authority a written notice of his or her reasons for disagreeing with the opinion.

2.7 An agency must disclose any personal use expenditure in its annual report as specified in Treasurer's instruction 8 *Financial Accounting and Reporting* – Requirement 3 *Agency Annual Reports*.

3. Timely Payment of Accounts

3.1 Agencies are to adhere to the payment terms in this requirement for invoices, even where the contract allows for a longer term:

(i) All payments must be made within 30 calendar days of the receipt of a correctly rendered invoice, or within 30 calendar days of the provision of goods or services (whichever is later).

(ii) All payments under $1 million for goods or services must be made within 20 calendar days of the receipt of a correctly rendered invoice, or within 20 calendar days of the provision of goods or services (whichever is later).

(iii) All payments under $1 million for works or construction must be made within 20 calendar days of the receipt of a correctly rendered invoice.

(iv) Payments for invoices at $1 million or above for works or construction will be governed by the contract's requirements.

Terms and Definitions

Assigned Purpose	Refers to the specific intention or designated use for which funds have been allocated, appropriated or approved. E.g. money held in a special purpose account cannot be used to fund the general operations for an agency as outlined in Treasurer's instruction 3 *Financial Sustainability* – Requirement 1.4 *Financial Sustainability*.
Certifying	An authorised officer will review evidence of the transaction, check account balances, and certify the invoice for payment.
Claim	Refers to a creditor's invoice, contract, agreement, or any other document evidencing the supply of goods or services. In the case of grants, the 'claim' may be evidenced by a letter or other appropriate document.
Incurring	An authorised officer will check the purchase order, receiving report and tax invoice for any difference. This review should be documented before the officer incurs the transaction. In some instances, Incurring is fully performed by the 3-way matching process within the agency's IT system and thus not required to be done by an officer.
Notifiable Authority (cardholder of an agency that is a department or a sub-department)	Means: (i) the accountable authority of the agency, except in a case to which subparagraphs (ii), (iii), (iv), (v) or (vi) applies; (ii) if the cardholder is the accountable authority of the agency and has an employing authority under the *Public Sector Management Act 1994*, the cardholder's employing authority; (iii) if the agency is the Legislative Assembly, the Clerk of the Legislative Assembly; (iv) if the agency is the Legislative Council, the Clerk of the Legislative Council; (v) if the cardholder is the accountable authority of the agency and none of subparagraphs (ii), (iii), (iv) and (vi) applies, the Minister responsible for the agency or, if there is no responsible Minister, the Treasurer; and (vi) if the cardholder is the Clerk of the Legislative Assembly or the Legislative Council, the respective presiding officer.
Notifiable Authority (cardholder of an agency that is a statutory authority)	Means: (i) except in a case to which subparagraph (ii) applies, the accountable authority of the agency; (ii) the Minister responsible for the agency if – (a) the cardholder is the accountable authority of the agency; or (b) the cardholder is a member, whether or not ex officio and whether described as a member, commissioner or otherwise, of the accountable authority of the agency; or (c) the accountable authority of the agency comprises a number of persons, one of whom is the cardholder.

Ordering	Goods or services are generally ordered by a delegated officer raising a purchase order, after seeking quotations or completion of a tender process (where necessary) and receiving the required level of delegated approval.
Payments	For the purposes of Requirement 3 *Timely Payment of Accounts* the following payments are excluded: (i) international purchases; (ii) purchases of real properties; (iii) purchases where payment in advance is required; (iv) transactions where the funding source is an administered appropriation; (v) non-procurement arrangements, such as grants; and (vi) direct debit arrangements with a supplier, where the payment terms are at the discretion of the supplier and the supplier's systems.
Personal Purpose	A purpose that is not directly related to performing functions for the agency.
Personal Use Expenditure	Expenditure on goods or services for a purpose that is not directly related to performing functions for the agency.
Receiving	Goods or services ordered are generally received by a delegated officer, with evidence retained of the receival.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 6 Income and Receipts

Requirements

1. Collection Agents

1.1 The accountable authority may:

(i) appoint a person as a collection agent; and

(ii) enter into a written arrangement for the collection agent to deduct relevant fees and costs from money collected prior to banking or remitting that money to the agency.

1.2 Where money collected on behalf of an agency is to be credited to the Consolidated Account:

(i) the agency must obtain the Under Treasurer's written approval prior to entering into an arrangement contemplated in Requirement 1.1(ii); and

(ii) the agency must deposit the full amount equivalent to that collected by the collection agent into the Government of Western Australia Bank Account – Main Account, and the shortfall (due to the collection agent's fees and costs deducted) shall be met from an appropriate expenditure item or account.

2. Banking of Money

2.1 The accountable authority must ensure that:

(i) any money received by an officer is deposited into a Bank Account, as defined in this Treasurer's Instruction; and

(ii) all money received is banked on a daily basis unless the accountable authority has policies and procedures in place that provide for banking at intervals less frequent than daily, where:

a. daily banking is not practicable having regard to the agency's location, the banking or postal facilities available, and the nature of the agency's operations; and

b. adequate security measures exist to protect the money until it is banked; and

c. any dollar thresholds or timeframes determined by the accountable authority are appropriate in the circumstances.

2.2 Where money is received by a person who is not an officer within the meaning of section 3 of the Act, the accountable authority must ensure that such money is banked in accordance with the same requirements that apply to money received by an officer under Requirement 2.1.

2.3 The chief finance officer must ensure:

(i) all banking transactions for each Bank Account operated by the agency are reconciled at intervals specified in the agency's policies and procedures, to ensure the accuracy and completeness of amounts banked;

(ii) separate records are maintained for each Bank Account opened and maintained by the agency; and

(iii) remittance advices are provided to Treasury when money is deposited into the Government of Western Australia Bank Account – Main Account for credit to the Consolidated Account.

3. Tariffs, Fees and Charges

3.1 The accountable authority must ensure the full cost is accurately determined for each service the agency provides, ensuring all tariffs, fees and charges align with the agency's cost recovery policy and do not exceed the full cost, except:

(i) when authorised by a statute; and

(ii) approved by Cabinet.

3.2 The accountable authority must ensure a review of the agency's tariffs, fees and charges is concluded by 31 December each year.

3.3 The accountable authority must ensure a register of tariffs, fees and charges is established and maintained.

Terms and Definitions

Bank Account	Public Bank Account, or a bank account maintained in accordance with section 13 of the Act that does not form part of the Public Bank Account, or a bank account established in accordance with any other written law.
Collection agent	A person who collects, receives or holds public money or statutory authority money for or on behalf of the State or of a statutory authority.
Money	Any public money, statutory authority money or other money, other than cash advances.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies. Requirement 3 of this instruction does not apply to accountable authorities of for-profit agencies.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 7 Special Purpose Accounts

Requirements

1. Special Purpose Statements and Trust Statements

1.1 The special purpose statement or trust statement must, at a minimum, include the information outlined in Template 6 – Special Purpose Statement or Template 7 – Trust Statement, as set out in Treasurer's Guidance 13 *Treasury Forms and Templates*.

1.2 The accountable authority must ensure that the approved special purpose statement or trust statement is subject to an annual review to confirm its continued relevance and compliance with applicable requirements.

1.3 The accountable authority must ensure that a copy of the approved special purpose statement or trust statement is published in the annual report for the financial year in which it is approved or amended.

2. Register of Special Purpose Accounts

2.1 The accountable authority must establish and maintain a comprehensive register of special purpose accounts. This register must be reviewed annually to determine whether any accounts have fulfilled their intended purpose and should therefore be closed.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 8 Financial Accounting and Reporting

Requirements

1. Requirements of Accounting Systems

1.1 All accountable authorities must ensure that the agency has access to a financial management information system that properly records all transactions of the agency and facilitates the preparation of general purpose financial statements for the agency at such intervals as may be required.

1.2 Where appropriate, all accountable authorities must ensure that the agency has access to a system to record and report performance information as required by the Treasurer's instruction 3 *Financial Sustainability* – Requirement 5 *Key Performance Indicators*.

2. Statement of Compliance

2.1 The annual report must include a Statement of Compliance, addressed to the Minister responsible for the agency or, if there is no responsible Minister, the Parliament, comprising:

(i) a statement in the terms outlined in the Model Annual Reports; and

(ii) where applicable, a statement acknowledging the incorporation within the annual report of any special reporting requirements imposed upon the accountable authority by any other written law.

2.2 The Statement of Compliance must be signed and dated by the accountable authority, as appropriate, with the proviso that where the accountable authority is:

(i) an individual, the Statement of Compliance must be signed by that individual; or

(ii) a body, the Statement of Compliance must be signed by two members of the body following a resolution of that body:

a. adopting the annual report; and

b. providing for transmission of the annual report to the Minister or Parliament.

3. Agency Annual Reports

Disclosures and Legal Compliance

This section of an annual report must include the following:

3.1 Any written ministerial directions relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.

3.2 'Other Legal Requirements' that must be disclosed by the agency and any subsidiary or related bodies, namely:

(i) all act of grace payments made by the agency during the reporting period;

(ii) the personal use expenditure disclosures as required by Treasurer's instruction 5 *Expenditure and Payments* – Requirement 2.7, namely:

a. the number of instances in which Western Australian Government Purchasing Cards were used for personal purposes for the reporting period;

b. the aggregate amount of personal use expenditure for the reporting period;

c. the aggregate amount of personal use expenditure settled by the due date;

d. the aggregate amount of personal use expenditure settled after the due date;

e. the aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period; and

f. the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period.

(iii) information required by legislation other than the Act, *Financial Management Regulations 2024* and the Treasurer's instructions.

4. Leases

Lessees

4.1 Agencies may apply the low value exemption (up to $5,000) and/or short-term lease exemption criteria per Australian Accounting Standard AASB 16 *Leases*, except where the lease is acquired from a wholly-owned public sector entity.

4.2 All right-of-use assets, including concessionary leases, are to be measured at cost, except for investment property right-of-use assets which are to be measured in accordance with AASB 140 *Investment Property*.

4.3 Agencies must disclose in the notes to the financial statements, the 'cost' of providing non-monetary benefits to employees (e.g. Government Regional Officer Housing rental cost) on a gross basis.

'Cost' is the interest and depreciation expense amount for the associated lease. This treatment is for those leases that fall under AASB 16 *Leases* and are included on the statement of financial position.

Lessors

4.4 Agencies must not account for a lease arrangement with one or more additional lease components or non-lease components as a single lease.

5. Related Party Disclosures

5.1. The accountable authority must ensure that senior officers of that agency complete the Data Collection Form that is included in Treasurer's Guidance 13 *Treasury Forms and Templates*:

(i) at the end of the reporting period; and

(ii) as changes occur during the year that impact senior officers of the agency such as machinery of government change, resignation or acting arrangements.

6. Related and Affiliated Bodies

Related Bodies

6.1 Where an agency had a related body at the end of a reporting period or at any time during a reporting period, there must be disclosed by way of note to the financial statements for each related body or, subject to materiality, each class of related bodies:

(i) the identity of the related body or class of related bodies; and

(ii) the nature and, where practicable, the amount or value of financial assistance provided to each related body or class of related bodies during the reporting period:

a. by the agency; and

b. where practicable, by any other body.

6.2 Where a related body received or expended money, controlled assets or incurred liabilities independent from the agency during a reporting period, those receipts and expenditures and assets and liabilities must be included within the agency's financial statements as if they were receipts and expenditures and assets and liabilities of the agency.

Where receipts and expenditures and assets and liabilities of a related body are included within an agency's financial statements in accordance with this requirement, such adjustments must be made as are necessary to eliminate transactions between the agency and its related body.

Affiliated Bodies

6.3 Where an agency had a Government affiliated body at the end of a reporting period or at any time during a reporting period, there must be disclosed by way of note to the financial statements for each Government affiliated body or, subject to materiality, each class of Government affiliated bodies:

(i) the identity of the Government affiliated body or class of Government affiliated bodies; and

(ii) the nature and, where practicable, the amount or value of financial assistance provided by the agency during the reporting period.

7. Revaluation of Non-Current Physical Assets

7.1. Assets subject to the following Australian Accounting Standards are excluded from Requirement 7.2:

(i) AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;

(ii) AASB 16 *Leases*;

(iii) AASB 102 *Inventories*; and

(iv) AASB 141 *Agriculture*.

7.2. Subsequent to initial recognition, agencies must measure land and buildings at fair value as defined in AASB 13 *Fair Value Measurement* in preparing financial statements.

7.3. Notwithstanding Requirement 7.2, references to fair value for assets subject to AASB 1059 *Service Concession Arrangements: Grantors* shall be read as references to current replacement cost as defined in AASB 13 *Fair Value Measurement*.

8. Contributions by Owners Made to Wholly-Owned Public Sector Entities

8.1. Except for non-reciprocal transfers that occur as a consequence of a restructure of administrative arrangements, for the purposes of Interpretation 1038 *Contributions by Owners Made to Wholly-owned Public Sector Entities*, the following classes of non-reciprocal transfers are designated as 'contributions by owners':

(i) capital appropriations, except where the appropriation is repayable;

(ii) non-discretionary transfers of net assets from wholly-owned public sector entities to agencies;

(iii) non-discretionary assumptions of liabilities or net liabilities by wholly-owned public sector entities from agencies;

(iv) assumptions of liabilities or net liabilities by Government from agencies and the transfer of net assets from Government to agencies; and

(v) capital expenditure authorised under section 27(1) of the Act.

8.2. A non-reciprocal transfer of assets or net assets from an agency to Government must be accounted for by the transferor agency as a distribution to owners.

8.3. Subject to materiality, and where the assets and liabilities transferred are able to be measured at fair value in accordance with the relevant Australian Accounting Standards, all contributions by owners and all distributions to owners must be recognised in the financial statements of both the transferee and transferor at fair value.

8.4. Requirement 8.3 does not apply to:

(i) non-reciprocal transfers arising as a consequence of a restructuring of

administrative arrangements; and

(ii) assets classified as inventories in accordance with AASB 102 *Inventories*.

Terms and Definitions

Concessionary leases	Leases that are significantly below-market terms and conditions, or peppercorn leases.
Financial assistance	Assistance provided: (i) directly, in the form of cash grants or payment of accounts on behalf of another body; and (ii) indirectly, in the form of staff, accommodation, support services or any other form of non-cash assistance.
Government affiliated body	An affiliated body which is not a non-Government affiliated body.
Non-Government affiliated body	A non-Government organisation established for purposes not related to the implementation of Government policy.
Senior officer	Any person who is concerned with or takes part in the management of the agency or any subsidiary or related body of the agency and includes the accountable authority of a department or members of the accountable authority of a statutory authority but excludes any person acting in such a position for a limited period.
Wholly-owned public sector entities	All entities consolidated into the Annual Report on State Finances.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies. Requirement 4 of this instruction does not apply to accountable authorities of for-profit agencies.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	06 November 2026

TI 9 Financial Statements

Requirements

1. General Information in Financial Statements

1.1 There must be disclosed by way of note to the financial statements:

(i) the number of senior officers of departments and statutory authorities (other than senior officers reported as members of the accountable authority of statutory authorities) whose total compensation for the reporting period, falls within each band of income of $50,000; and

(ii) the number of members of the accountable authority (if applicable) of statutory authorities, whose total compensation for the reporting period, falls within each band of income of $10,000.

1.2 The following information, where applicable, must be disclosed in the notes to the financial statements:

(i) revenue and debts (including administered revenue and debts due to the State), and public property written off during the reporting period under section 48 of the Act or under other written laws. In addition, where such amounts are written off under section 48 of the Act, separate identification is required of the amounts written off under the authority of:

a. the accountable authority;

b. the Minister; and

c. the Treasurer;

(ii) losses of or deficiencies in public money, statutory authority money and other money through theft, misconduct or otherwise, together with details of:

a. recovery of losses; and

b. net losses incurred;

(iii) forgiveness (or waiver) of debts by the agency during the reporting period; and

(iv) gift of public property by the agency during the reporting period.

2. Certification of Financial Statements

2.1 Financial statements must be accompanied by a statement of certification in the terms outlined in the Model Annual Reports.

2.2 The certification required by Requirement 2.1 of this instruction must be signed and dated by the chief finance officer and the accountable authority with the proviso that where the accountable authority is:

(i) an individual, the statement must be signed by that individual; or

(ii) a body, the statement must be signed by two members of that body following a resolution of that body:

a. adopting the financial statements, and

b. providing for the inclusion of the financial statements in the annual report.

2.3 Where an agency has been abolished, the certification required by Requirement 2.1 of this instruction must be signed and dated by the reporting officer.

3. Annual Estimates

3.1 The accountable authority must prepare the draft annual estimates required under section 40 of the Act in the following manner:

(i) where no other written law applies to the annual estimates, the accountable authorities that are required to comply with Treasurer's instruction 3 *Financial Sustainability* – Requirement 7.5 must prepare draft annual estimates in the form approved by the Minister; or

(ii) where no other written law applies to the annual estimates, the accountable authorities that are required to comply with Treasurer's instruction 3 *Financial Sustainability* – Requirement 7.2 must prepare draft annual estimates comprising:

(a) Statement of Comprehensive Income;

(b) Statement of Financial Position; and

(c) Statement of Cash Flows.

3.2 The accountable authority must make the approved annual estimates available to the public in the following manner:

(i) where the agency has a website, the accountable authority must publish the annual estimates on the website; or

(ii) where the agency does not have a website, the accountable authority must include the annual estimates in the agency annual report of the preceding financial year.

4. Application of Australian Accounting Standards and Other Pronouncements

4.1. Apart from Gold Corporation, all agencies are not-for-profit entities as defined in Australian Accounting Standards.

4.2. Australian Accounting Standards and Interpretations, that have been issued but are not yet effective, must not be applied to earlier reporting periods, unless specified in this requirement.

4.3. The application of the following Australian Accounting Standards is modified:

4.3.1 AASB 8 *Operating Segments* — where the accountable authority of a statutory authority considers that it would provide more relevant information, for-profit statutory authorities may use services as defined in Treasurer's instruction 3 *Financial Sustainability*, or a collection of related services, as separate operating segments for the purposes of compliance with that standard;

4.3.2 AASB 9 *Financial Instruments* – loss allowance for trade receivables, contract assets and lease receivables is to be measured at an amount equal to lifetime expected credit losses;

4.3.3 AASB 9 *Financial Instruments* – the election under paragraph 7.2.21 to continue to apply the hedge accounting requirements in AASB 139 *Financial Instruments: Recognition and Measurement* is disallowed;

4.3.4 AASB 10 *Consolidated Financial Statements* – the election under paragraph Aus4.1 that provides for a parent to be exempted from presenting consolidated financial statements where certain conditions are met is disallowed;

4.3.5 AASB 107 *Statement of Cash Flows* – the direct method is to be used in reporting cash flows from operating activities; and

(i) the statement of cash flows must be structured to disclose, where applicable:

a. cash flows from operating activities;

b. cash flows from investing activities;

c. cash flows from financing activities;

d. cash flows from/to State Government; and

(ii) in the statement of cash flows:

a. recurrent and capital appropriations, funds received from other public sector entities;

b. money received from other State funds not in the nature of a financing activity cash flow;

c. payments of income tax equivalents as defined in this instruction; and

d. payments of dividends;

must be disclosed as cash flows from/to State Government;

4.3.6 AASB 112 *Income Taxes* – an explanation of the relationship between tax expense (income) and accounting profit must be in the form of a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed;

4.3.7 AASB 119 *Employee Benefits* – where an agency has more than one defined benefit plan, disclosures must be made separately for each plan;

4.3.8 AASB 127 *Separate Financial Statements* – the elections under paragraph 8 of AASB 127 to present separate financial statements as the agency's only financial statements are disallowed;

4.3.9 AASB 1053 *Application of Tiers of Australian Accounting Standards* – Tier 1 agencies are those listed in Schedule 1 of this instruction. Tier 2 agencies are all other agencies; and

4.3.10 Materiality – the concept of materiality as defined in AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* must not be considered or applied by agencies in matters relating to legal compliance, except where specified.

4.4 Apart from the Commissioner of Main Roads, all Tier 1 not-for-profit statutory authorities must additionally disclose income and expenditures for each service, or a collection of related services. Income and expenditures for each service must be consistent with the Statement of Comprehensive Income categorisation, and services consistent with the definition in Treasurer's instruction 3 *Financial Sustainability*.

4.5 The Commissioner of Main Roads must additionally disclose income and expenditures for each service, or a collection of related services. Income and expenditures for each service must be consistent with the Statement of Comprehensive Income categorisation, and services consistent with the definition in Treasurer's instruction 3 *Financial Sustainability*. For the purposes of compliance with this requirement, 'expenditure' means expense plus capital expenditure on road infrastructure less depreciation on road infrastructure.

4.6 The asset capitalisation threshold for agencies is set at $5,000 for the recognition of assets under AASB 116 *Property, Plant and Equipment*, and, at a minimum of $5,000 for the recognition of intangible assets under AASB 138 *Intangible Assets*.

5. Statements of Comprehensive Income

5.1 The accountable authority of a department must prepare the cost of service format Statement of Comprehensive Income.

5.2 The accountable authority of a statutory authority must prepare either:

(i) the commercial format Statement of Comprehensive Income where the statutory authority is wholly or largely engaged in business or trading or providing goods or services with the intention of recovering all or a significant proportion of its operating costs independent of Parliamentary appropriation; or

(ii) the cost of service format Statement of Comprehensive Income;

as determined to be appropriate by the accountable authority of the statutory authority, by having regard to the relevant guidance on reporting formats provided in the Treasurer's Guidance 9 *Financial Statements*.

6. Statements of Financial Position

6.1. The Statement of Financial Position must be prepared in accordance with AASB 101 *Presentation of Financial Statements* and should be read in conjunction with the Model Annual Reports.

6.2. The following requirements apply where applicable:

(i) Valuation of land and buildings applied in accordance with AASB 116 *Property, Plant and Equipment* paragraph 31 must be performed by a professionally qualified valuer and the name of the valuer(s) must be disclosed in addition to the requirements of paragraph 77 of that standard;

(ii) For each section 10(a), (e) and (f) special purpose account, there must be disclosed:

a. the purpose of the special purpose account;

b. the balance of the special purpose account at the beginning of the reporting period;

c. total receipts;

d. total payments;

e. the balance of the special purpose account at the end of the reporting period; and

(iii) Agencies must disclose the information specified in Requirement 6.2(ii) for each section 16(1)(b), (c) and (d) special purpose account.

(iv) Notwithstanding Requirement 6.2(iii), agencies are not required to disclose the information specified in Requirement 6.2(ii) for a section 16(1)(b) special purpose account that is established for the purposes of its operations.

7. Application of Tiered Reporting – Simplified Disclosures

7.1. The accountable authority must apply Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards* as follows:

(i) Tier 1 agencies are those listed in Schedule 1 of this instruction; and

(ii) Tier 2 agencies are those other than Tier 1 agencies.

7.2. Tier 2 agencies that apply Australian Accounting Standards that are specific to the industry in which they significantly operate in or are significantly exposed to must comply with all reporting requirements in those standards (refer to Schedule 2 of this instruction).

Schedules

Schedule 1 – Tier 1 Agencies

Biodiversity, Conservation and Attractions	Lotteries Commission
Child and Adolescent Health Service Board	Mental Health Commission
Commissioner of Main Roads	North Metropolitan Health Service Board
Communities	Western Australia Police
Creative Industries, Tourism and Sport	Primary Industries and Regional Development
East Metropolitan Health Service Board	Public Transport Authority
Education	Racing and Wagering WA
Fire and Emergency Services	South Metropolitan Health Service Board
Gold Corporation	Training and Workforce Development
Health	Transport and Major Infrastructure
Housing and Works	WA Country Health Service Board
Housing Authority	WA Sports Centre Trust
Insurance Commission of WA	WA Treasury Corporation
Justice	

Schedule 2 – Tier 2 Agencies to apply certain Tier 1 requirements

For the purposes of Requirement 7.2 of this instruction, Tier 2 agencies must apply Tier 1 reporting requirements for the following Australian Accounting Standards:

- AASB 12 *Disclosure of Interests in Other Entities*;
- AASB 140 *Investment Property*;
- AASB 141 *Agriculture*; and
- AASB 1059 *Service Concession Arrangements: Grantors*.

Terms and Definitions

Dividends	Distributions of the whole or part of operating surpluses or profits to the Consolidated Account.
Income Tax Equivalent	The amount required to be accounted for by a statutory authority obliged to make such a payment to the State Government as if it was a private sector entity subject to the Commonwealth income tax legislation.
Note	A note included in the notes to the financial statements.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies. Requirements 1 and 2 also apply to the four universities listed in Schedule 1 of the Act.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026

TI 10 Internal Audit

Requirements

1. Internal Audit

1.1 The accountable authority must ensure that the agency has an internal audit charter that defines its purpose, authority and responsibility, and establishes the internal audit activity's position within the organisation. The internal audit charter authorises the internal audit function's access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of internal audit activities.

1.2 The internal audit function of an agency must have independent status within the agency. The officer in charge of the internal audit function (chief audit executive) must:

(i) functionally report to the Internal Audit Committee of the agency;

(ii) be suitably qualified;

(iii) have no executive or managerial powers, authorities, functions or duties, except those relating to the management of the internal audit function;

(iv) not participate in the agency's daily operational business and administrative activities; and

(v) not be responsible for the detailed development or implementation of new or changed systems.

1.3 The Internal Audit Committee endorses the internal audit charter, and it must be approved by the accountable authority.

1.4 When the internal audit function is performed by an entity that is not within the Public Service, the accountable authority must ensure regular rotation of the entity performing the internal audit function. The maximum term for engaging the entity to perform the internal audit function must not exceed a total of five years.

1.5 The accountable authority must ensure that the agency has an Internal Audit Committee which is independently chaired by a suitably qualified person who is not employed within the agency.

1.6 The Internal Audit Committee of an agency must be responsible to the agency's accountable authority.

1.7 The accountable authority must ensure that the agency has an internal audit committee charter which includes:

(i) defining the independence, accountability, role, responsibilities and reporting arrangements for the committee; and

(ii) outlines the Internal Audit Committee's responsibilities for overseeing governance, risk management, internal controls and compliance.

1.8 The Internal Audit Committee endorses the internal audit committee charter, and it must be approved by the accountable authority.

2. Conduct of Audits and Consultancy

2.1 Agencies must ensure that the internal audit function complies with the most recent auditing standards issued by the Institute of Internal Auditors (IIA Standards), except where they are inconsistent with legislation and Treasurer's instructions.

2.2 The accountable authority must ensure that the internal audit charter includes requirements for planning and timely reporting on the performance of the internal audit function.

2.3 In exercising its functions, internal audit must have access to all public money, other money, statutory authority money, public property and other property, in addition to the accounts, information, documentation and records of the agency. Every officer and employee of the agency must provide internal audit with requested information, advice, explanation, and necessary audit assistance on a timely basis.

Terms and Definitions

Suitably Qualified	For the purposes of this instruction 'suitably qualified' means: (i) current membership of CPA Australia as a CPA; or (ii) current membership of Chartered Accountants Australia and New Zealand as a Chartered Accountant; or (iii) current membership of the Institute of Public Accountants as a Member of the Institute of Public Accountants; or (iv) current membership of the IIA as a Professional Member; or (v) relevant experience, skills and knowledge to perform the roles, as determined by the accountable authority appropriate for the size, complexity and type of agency.

Scope and Application

Scope	This Treasurer's instruction applies to all agencies and the four universities listed in Schedule 1 of the Act.
Issue date	28 June 2024
Effective date	This Treasurer's instruction comes into effect for an agency at the start of the first financial year that commences on or after 1 July 2024.
Last updated	25 May 2026