

# CONTINGENCIES POLICY



## CONTENTS

1	PURPOSE.....	1
2	SCOPE.....	1
3	POLICY STATEMENT .....	1
	Calculation and recording of contingencies .....	1
	Management of contingencies .....	2
	Contingency register .....	2
4	RESPONSIBILITIES .....	2
	Compliance, monitoring and review .....	2
	Reporting.....	2
	Records management.....	2
5	DEFINITIONS .....	2
6	RELATED LEGISLATION AND DOCUMENTS.....	3
7	FEEDBACK.....	3
8	APPROVAL AND REVIEW DETAILS.....	3

## 1 PURPOSE

- 1.1 This policy outlines how contingencies will be managed at CQUniversity.
- 1.2 This policy forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of an effective contingency management system to provide for the prompt identification, monitoring, recording and minimum reporting of contingencies while ensuring compliance with relevant statutory and regulatory requirements.

## 2 SCOPE

- 2.1 This policy applies to all contingencies recognised by CQUniversity.

## 3 POLICY STATEMENT

- 3.1 Contingencies are liabilities of the University or, less commonly, assets, that arise from past or current events and whose existence will only be confirmed by the occurrence or non-occurrence of a future event outside of the University's control. A contingent liability is a possibility only, there is no certainty that a contingency will eventuate (into a liability), which is why they are differentiated from liabilities (and assets, where appropriate). In general, a contingent liability exists where consideration may be payable to a third party (e.g. as a result of legal action taken against the university) and, a contingent asset exists where consideration may be received from a third party (e.g. a bank guarantee in favour of the university).

### Calculation and recording of contingencies

- 3.2 Contingencies are calculated and recorded in separate registers and disclosed in the University's notes to the financial statements, in accordance with the Australian Accounting Standard [AASB137 Provisions, Contingent Liabilities and Contingent Assets](#) and [Financial Reporting Requirements for Queensland Government Agencies \(FRR 4D\) Liabilities](#).

## Management of contingencies

3.3 Contingency management is the responsibility of the relevant Senior Executive.

### Contingency register

3.4 A record of all contingent liabilities and, where appropriate, contingent assets must be recorded in the University's Contingency Register. The nominated contingency manager identified in section 3.3 above will notify Financial Accounting of any matters which are required to be recorded in the Contingency Register. Financial Accounting will maintain the register, which will include the following details of each contingency:

- description
- name, address and ABN of the third party
- value
- type of obligation
- identified trigger for the realisation of the contingency
- estimated date of expiration
- action taken to manage the contingency, and
- details surrounding the finalisation of the contingency.

3.5 All other relevant information specific to each contingency will be entered into the Register as appropriate.

3.6 The Chief Operating Officer will review and sign-off on the Register on a quarterly basis. Depending on the nature of the contingency, its materiality and associated risks, reporting to the Chief Operating Officer may need to occur on a more frequent basis at the discretion of the Deputy Director Financial Accounting and Operations.

## 4 RESPONSIBILITIES

### Compliance, monitoring and review

4.1 The Chief Operating Officer and Deputy Director Financial Accounting and Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.

4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

### Reporting

4.3 No additional reporting is required.

### Records management

4.4 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.

4.5 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email [records@cqu.edu.au](mailto:records@cqu.edu.au)).

## 5 DEFINITIONS

5.1 Terms not defined in this document may be in the University [glossary](#).

## 6 RELATED LEGISLATION AND DOCUMENTS

### [Australian Accounting Standards:](#)

- AASB101 (NFP) Presentation of Financial Statements
- AASB137 Provisions, Contingent Liabilities and Contingent Assets

### [Financial Accountability Act 2009](#) (Qld)

### [Financial and Performance Management Standard 2019](#) (Qld)

### [Financial Reporting Requirements for Queensland Government Agencies \(FRR 4D\) Liabilities Framework for the Preparation and Presentation of Financial Statements](#)

## 7 FEEDBACK

7.1 Feedback about this document can be emailed to [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

## 8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Delegated Approval Authority	Audit, Risk and Finance Committee
Advisory Committee	N/A
Required Consultation	N/A
Administrator	Chief Operating Officer
Next Review Date	01/06/2024

Approval and Amendment History	Details
Original Approval Authority and Date	Council 14/07/2014
Amendment Authority and Date	Deputy Vice-Chancellor (Finance and Planning) 28/07/2017; Audit, Risk and Finance Committee 01/06/2021; Editorial amendment 17/08/2021; Editorial amendment 03/01/2023.
Notes	This document was formerly known as the Contingencies Policy (FMPM) (last approved 28/07/2017).