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## 1 PURPOSE

- 1.1 The purpose of this policy is to provide direction on the definition of University contingencies and to identify the ways in which such contingencies are to be recorded and managed across the University.
- 1.2 This policy also contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2009](#) 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 the University and to all staff responsible for the identification, monitoring, management and recording of contingency-related activities in accordance with this policy, the [Delegation of Authority Policy \(FMPM\)](#) and organisational structure of the Finance and Planning Division and relevant Responsibility Centres.

## 3 POLICY STATEMENT

- 3.1 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management policy framework. As such, this policy forms part of and must be read in conjunction with the FMPM.

### Definition and recognition of contingencies

- 3.2 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. There is no probability that a contingency will eventuate, which is why they are differentiated from liabilities (and assets where appropriate). There is only a possibility that the University must plan for. In general, a contingent liability exists where compensation may be payable to a third party and, a contingent asset exists where compensation may be received from a third party.

## Calculation and recording of contingencies

- 3.3 All contingencies are calculated and recorded in the University's statement of financial position in accordance with [AASB137 Provisions, Contingent Liabilities and Contingent Assets](#) and [Financial Reporting Requirements for Queensland Government Agencies \(FRR 4D\) Liabilities](#).

## Management of Contingencies

- 3.4 In addition to the requirements set out in the [Delegation of Authority Policy\(FMPM\)](#), contingency management is the responsibility of the following contingency manager:
- corporate legal matters – Deputy Vice-Chancellor (Student Experience and Governance)
  - commercial legal matters – Deputy Vice-Chancellor (Finance and Planning)
  - research matters – Provost
  - insurance matters – Deputy Vice-Chancellor (Finance and Planning)
  - occupational health and safety matters – Deputy Vice-Chancellor (International and Services), and
  - environmental matters – Director, Facilities Management.

## Contingency Register

- 3.5 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 3.4 above will notify the Financial Accounting team (Finance and Planning Division) of any matters which are required to be recorded in the contingency register. The Financial Accounting team 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.
- 3.6 All other relevant information specific to each contingency will also be entered into the register as appropriate.
- 3.7 The register must be forwarded to the Deputy Vice-Chancellor (Finance and Planning) for review and sign-off on an annual basis. Depending on the nature of the contingency, its materiality and associated risks, reporting to the Deputy Vice-Chancellor (Finance and Planning) may need to occur on a more frequent basis at the discretion of the contingency manager or the Financial Accounting team.

## 4 RESPONSIBILITIES

### Compliance, monitoring and review

- 4.1 The Deputy Director, Financial Accounting and Operations is responsible for managing the implementation of this policy and for ensuring that its provisions are adhered to and applied consistently across the University.
- 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 Staff must maintain all records relevant to administering this policy in a recognised University recordkeeping system.

## 5 DEFINITIONS

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

## 6 RELATED LEGISLATION AND DOCUMENTS

[AASB101 \(NFP\) Presentation of Financial Statements](#)

[AASB137 Provisions, Contingent Liabilities and Contingent Assets](#)

[Delegation of Authority Policy \(FMPM\)](#)

[Financial Accountability Act 2009](#)

[Financial and Performance Management Standard 2009](#)

[Financial Management Practice Manual](#)

[Financial Reporting Requirements for Queensland Government Agencies \(FRR 4D\) Liabilities](#)

[Framework for the Preparation and Presentation of Financial Statements](#)

## 7 FEEDBACK

- 7.1 University staff and students may provide feedback about this document by emailing [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

## 8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Advisory Committee to Approval Authority	Audit, Risk and Finance Committee
Administrator	Deputy Vice-Chancellor (Finance and Planning)
Next Review Date	28/07/2020

Approval and Amendment History	Details
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Notes	