

LOSSES POLICY (FMPM)

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1 PURPOSE

- 1.1 The purpose of this policy is to outline the types of losses the CQUniversity may incur and the process by which such losses are to be identified, considered, monitored and recorded.
- 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 a process that details the identification, recording and, where necessary, the reporting of losses.

2 SCOPE

- 2.1 This policy applies to all losses recognised by and reported to the University and to all staff responsible for the identification, consideration, monitoring and recording of such losses in accordance with the [Delegation of Authority Policy \(FMPM\)](#) and organisational structure of the Finance and Planning Division.

3 POLICY STATEMENT

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

Types of losses

- 3.2 A loss is broadly defined as a decrease in economic benefits and may include such things as the write-off of bad debts, thefts, accidental and wilful damage or property destruction and losses due to negligence. More specifically, losses are grouped into two broad categories – loss from offence or misconduct and other losses.

Loss from offence or misconduct

- 3.2.1 Losses from offence or misconduct incorporate losses of the University's property resulting from an offence being committed or official misconduct by an employee, consultant or contractor of the University. An example of such a loss would include cash or property thefts by employees.

Other losses

- 3.2.2 Other losses incorporate material losses to the University's property, other than losses identified as being the result of an offence or misconduct. An example of such a loss would include the loss of a building or other asset due to a natural disaster.

Material losses

- 3.3 Material losses refer to losses of money with a value greater than \$500 or losses of other property with a value greater than \$5,000.

Reporting of losses

- 3.4 In the first instance, all losses, regardless of value, must be reported to the Deputy Director, Financial Accounting and Operations.
- 3.5 All material losses under the category of a loss from an offence or misconduct must be reported as soon as practicable to the following bodies:
- the appropriate State Government Minister
 - the Auditor-General
 - a police officer (if the loss is suspected to be the result of a criminal offence), and
 - the Crime and Misconduct Commission (if the loss is suspected to be the result of official misconduct by an employee).
- 3.6 Losses must be reported to the appropriate authority as soon as practicable, but no later than six months after the University has been made aware of the loss.
- 3.7 Only losses of a material nature are required to be formally reported to the above bodies. Losses that do not meet the material loss requirements specified above are not required to be reported outside of the University.
- 3.8 Losses under the category of other losses, regardless of value, are not required to be formally reported outside of the University.

Losses register

- 3.9 A record of all losses, regardless of type or value, must be recorded in the University's Losses Register. The Deputy Director, Financial Accounting and Operations will maintain the register, which must include the following details of each loss:
- a description of the lost property, including its value
 - the reason for the loss
 - the action taken regarding the loss, including actions to remedy any internal control weaknesses or action to obtain reimbursement, and
 - details of the approval given for writing off the loss.
- 3.10 Any other information specific to each loss will also be entered into the register as appropriate.
- 3.11 The register will be forwarded to the Deputy Vice-Chancellor (Finance and Planning) for review and sign-off on a quarterly basis.

- 3.12 Where appropriate, the Deputy Vice-Chancellor (Finance and Planning) will forward the Losses Register to the Audit, Risk and Finance Committee for advice and assessment regarding internal control measures.

Crime and Misconduct Act

- 3.13 This policy supports but does not replace the requirements of the [Crime and Corruption Act 2001](#). Where material losses are identified, particularly as a result of suspected official misconduct, advice must be sought regarding the legislative requirements of this Act.

Disclosure

- 3.14 In addition to the Losses Register, all losses will be recorded in the University's financial statements as per the requirements of [Financial Reporting Requirements for Queensland Government Agencies \(FRR 3D\) Expenses](#).

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 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

[Crime and Corruption Act 2001](#) (Qld)

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

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

[Financial and Performance Management Standard 2009](#) (Qld)

[Financial Management Practice Manual](#)

[Financial Reporting Requirements for Queensland Government Agencies \(FRR 3D\) Expenses](#)

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
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Advisory Committee to Approval Authority	Audit, Risk and Finance Committee
Administrator	Deputy Vice-Chancellor (Finance and Planning)
Next Review Date	31/07/2020

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Notes	