Example: Form for business area certification

Foreword

Although there are no specific legal requirements for the management of business areas to sign-off on their contribution to the financial statements, the following example represents better practice in ensuring that the roles and responsibilities of respective stakeholders are clearly defined and understood. The example management sign-off should be tailored to meet the entity's particular circumstances.

Consultation with the ANAO would be useful prior to the finalisation of the management sign-off. The questions included in the sign-off are not intended to be definitive or exhaustive.

Financial Statements for the year ended 30 June [current financial year] **Management Sign-off**	
To: Accountable Authority Cc: Chair, Audit Committee	
Chief Financial Officer	
I acknowledge my responsibility for ensuring that the financial statements, as they relate to [name of business area] are drawn up to comply with the accounting standards and any other requirements prescribed by the PGPA Rules and present fairly the entity's financial position, financial performance and cash flows. They have been prepared based on properly maintained financial records.	
I acknowledge my responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error, as they relate to [name of business area].	
I confirm that the financial statements, as they relate to [name of business area] are free of material misstatements, including omissions.	
I confirm that you have been advised of all known material risks that may affect the financial statements through the monthly financial certification process and reports to the [title of accountable authority for the entity].	
I have discussed the answers and information provided in relation to the questions below with my staff, and where considered necessary, have requested or undertaken other follow-up action, as appropriate, to satisfy myself that the answers and information provided represent a fair and reliable assessment for the purposes of preparing the [entity's name] annual financial statements.	
Signed by:	***Position:***
Date: DD/MM/YYYY	

Manager certification	Yes	No	N/A	Explanation
1. Management control environment				
Have all employees in your business area been informed of the [entity's name] code of conduct?				
Are financial responsibilities of staff in your business area clearly communicated to establish performance expectations, accountability and control?				
Have managers and supervisors been informed of the Human Resource policies and practices on recruiting, retaining and developing competent people?				
2. Legislative compliance				
Are you aware of any breaches of legislation (particularly systematic breaches) incurred by your business area:				
• statute (e.g. sections 83 and 51 of the Constitution)				
• legally binding contracts with a third party, and				
• other legally binding obligations, in respect of financial transactions conducted in the period?				
Have your accounts and records been kept in a way that ensures that moneys are only expended for the purpose for which they are appropriated, and the limit on any appropriation as it relates to your business area is not exceeded?				
Have all aspects of the operations of the business area been undertaken in accordance with applicable legislation, policies, and instructions?				
Have you and your delegates exercised delegated powers appropriately between the start of the financial year and the date on which the [title of accountable authority] signs the financial statement certification [specify date]?				
Are you aware of any communications from regulatory authorities concerning the entity's legislative compliance regime that could have a material effect upon the financial statements?				
3. Audit				
Have all issues raised in internal audit and ANAO reports been addressed by your business area? Has the appropriate follow up action been instigated and monitored? If not, do any of the outstanding recommendations affect the financial statements?				
4. Accounting records and controls				
Have all financial transactions of your business area been properly recorded in the accounting records and systems so as to not allow a material error to occur in the period?				

Manager certification	Yes	No	N/A	Explanation
Have you taken steps within your business area (including monitoring and reviewing for adequacy) to ensure the appropriateness of:				
• segregation of duties for the processing of financial information				
• independent review of financial transactions and their recording in the financial systems				
• reconciliations				
• management trails sufficient to allow tracking of financial transactions to primary documents and vice versa, and				
• policy directions in regard to conduct by staff responsible for financial transactions.				
Are all financial records and related supporting documents available for management and audit review?				
5. Fraud				
Were all cases of irregularities, fraud or misappropriation known to you in regard to your business area properly dealt with and disclosed?				
If no, please provide details. If appropriate, provide a separate document labelled as 'confidential' addressed directly to the CFO.				
Have there been any known instances of payments being offered or made to individuals or organisations to secure or attempt to secure any benefits for your business area or any officer acting on behalf of your area?				
6. Irregularities arising from negligence or misconduct				
Are you aware of any misconduct involving employees which could have a material impact on the accuracy of financial data or be a significant embarrassment to the [entity name]?				
If appropriate, provide a separate document labelled as 'confidential' addressed directly to the CFO.				
7. Assets				
Are you aware of any plans or intentions in relation to your business area that have not been brought to the attention of the CFO for consideration, and that may materially affect the carrying value or classification of any assets?				
Are you satisfied that items of equipment and portable/ attractive items under the control of your business area have been accounted for and are in reasonable condition?				

Manager certification	Yes	No	N/A	Explanation
8. Liabilities				
Have all material liabilities relating to your business area's activities as at 30 June been referred to the CFO for inclusion in the financial statements?				
Are you aware of any plans or intentions in relation to your business area that may materially alter the value or classification of liabilities relating to your area?				
Have these plans and intentions been referred to the CFO for consideration in arriving at the value of liabilities in the financial statements?				
9. Write-offs, waivers and relief				
Have write-offs, waivers and relief relating to your business area's activities been formally advised to the CFO for inclusion in the financial statements?				
10. Commitments				
Have material commitments relating to your business area been formally advised to the CFO for inclusion in the financial statements?				
These should include, but not be restricted to:				
• purchase orders for equipment where they are part of a major acquisition				
• service contracts, and				
• non-cancellable short term leases.				
11. Contingencies				
Have material Contingent Liabilities and Assets relating to your business area been formally advised to the CFO for inclusion in the financial statements?				
These should include, but not be restricted to:				
• indemnities				
• damages which may be awarded in court cases against the [entity name], that is, where a summons has been issued				
• large unresolved compensation for administrative cases				
• claims by staff, current and former				
• estimated legal expenses; that is, in a current court case				
• damages which may be awarded to the [entity name], and				
• section 74 receipts where there is no present entitlement to receive them.				

Manager certification	Yes	No	N/A	Explanation
12. Subsequent events				
Have any significant events occurred or are likely to occur between the end of the financial year and the date on which the [title of accountable authority] signs the financial statements certification [signing date] which are of such importance to your business area that they need to be formally advised to the [title of accountable authority] or the CFO? Examples include significant transactions, fraud, staff issues, conflict of interest, and status of redundancy processes.				
13. Annual report				
Please confirm that you have read your business area's written submission to the annual report and are satisfied that the contents are fair and not inconsistent with the financial results and related data.				