



Expenditure

Audience

Department-wide

Implementation Date: 21/01/2020
Version: 1.1

Purpose

To ensure the consistent and prompt approval, identification, assessment, review and recording of expenditure across the department.

Policy statement

Expenditure is money or other resources that the department uses for goods and services. Goods and services are purchased for authorised and permitted purposes only and can be both of an operational and capital nature.

The department recognises, manages and reports expenditure in accordance with legislation, Australian Accounting Standards and Queensland Government policy.

Internal controls manage risk associated with expenditure, including minimising the likelihood of fraud and misappropriation.

Principles

Principles	What this means in practice
Accountability	<p>The department recognises and reports expenditure promptly and accurately and in accordance with Australian Accounting Standards.</p> <p>The department effectively manages risks associated with expenditure through preventive and detective controls.</p> <p>The department will apply the provisions of the Financial Accountability Handbook, in particular, Information Sheet 3.6 – Expenses Management Systems (excluding HR), to identify, assess, record and manage expenses and payables.</p>
Effectiveness	Expenditure is approved by an authorised delegate to ensure funds are expended in accordance with departmental objectives and controls.
Performance	The department manages expenditure to maximise value for money.
Sustainability	The department proactively manages its current and future financial position.

Requirements

- Expenditure is only incurred for authorised and permitted purposes.
- Expenses are reported, disclosed and recognised as per the [Financial reporting requirements for Queensland Government agencies](#).
- An obligation to incur expenditure must be identified and recorded promptly and accurately in the department's accounting systems, in a manner which maintains an adequate audit trail and allows reporting objectives and accountability requirements to be satisfied.
- The source and reason for expenditure must be identified to ensure the department is managing its operations efficiently, effectively and economically.
- All expenditure incurred by the department must be approved in accordance with [finance delegations](#), within budgetary constraints, statutory and/or contractual requirements, other requirements of State Cabinet, the Treasurer and the Public Service Commission as outlined in Related Policies (below).

Definitions

Capital expenditure	Expenditure incurred in acquiring, or building fixed assets such as land and buildings.
Expenses	Costs incurred by the department in carrying out its functions through the consumption of goods or services.
Operational expenses	Expenses incurred in the ongoing business of the department. For example, salary and wages.
Australian Accounting Standards	Financial reporting standards applicable to entities in the private and public sectors in Australia.

Legislation

- [A New Tax System \(Goods and Services Tax\) Act 1999 \(Cwlth\)](#)
- [Financial Accountability Act 2009 \(Qld\)](#)
- [Financial and Performance Management Standard 2019 \(Qld\)](#)
- [Fringe Benefits Tax Assessment Act 1986 \(Cwlth\)](#)
- [Payroll Tax Act 1971 \(Qld\)](#)
- [Public Sector Ethics Act 1994 \(Qld\)](#)
- [Public Service Act 2008 \(Qld\)](#)
- [Statutory Bodies Financial Arrangements Act 1982 \(Qld\)](#)
- [Superannuation Guarantee \(Administration\) Act 1992 \(Cwlth\)](#)
- [Taxation Administration Act 1953 \(Cwlth\)](#)

Delegations/Authorisations

- [Finance delegations](#)

Related policies

- [Appropriate and ethical use of public resources](#)
- [Code of Conduct for the Queensland Public Service, Queensland Government](#)
- [Financial Accountability Handbook, Queensland Treasury](#)
- [Financial Reporting Requirements , Queensland Treasury](#)
- [Queensland Government Late Payment Policy](#)
- [Queensland Procurement Policy](#)
- [Project Commencement Approval policy, Queensland Treasury](#)
- [Treasurer's Guidelines for the Use of the Queensland Government Corporate Purchasing Card, Queensland Treasury](#)

Related procedures

- [Purchasing and procurement](#)
- [Catering and hospitality](#)

This policy and the above procedures are supported by the following processes:

- [Expenditure](#) (DoE employees only)
- [Fraud awareness](#) (DoE employees only)
- [Late payment monitoring](#) (DoE employees only)
- [Payment methods](#) (DoE employees only)
- [Payment processes](#) (DoE employees only)
- [Project commencement approval](#) (DoE employees only)
- [Types of expense](#) (DoE employees only)

Guidelines

- [Financial Management Tools, Queensland Treasury](#)

Supporting information/websites

[Australian Accounting Standards](#), in particular:

- AASB 101 Presentation of Financial Statements
- AASB 123 Borrowing Costs
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets
- AASB 1049 Whole of Government and General Government Sector Financial Reporting
- AASB 1054 Australian Additional Disclosures
- Framework for the Preparation and Presentation of Financial Statements

Contact

For further information, please contact Finance Branch through the [Services Catalogue Online](#) (DoE employees only). Customers and users external to the department should email financialreporting.finance@qed.qld.gov.au.

Review date

21/02/2023

Superseded versions

Previous seven years shown. Minor version updates not included.

1.0 Expenditure

Creative Commons Licence

