



Finance Management System

Standard
FIN/STD/4400/EXP

EXPENSES

Note: Group Business Instructions may contain additional requirements.

Revisions to Previous Version	
Section	Replaces Version 1.0 following the incorporation of QR Ltd

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1. Purpose

The purpose of this **standard** is to establish expense specific requirements which form part of QR's internal control structure. The objective of this internal control structure is to:

- Facilitate the achievement of QR's goals and objectives by managing risk exposure (such as non-compliance, fraud and inefficiency);
- Ensure that QR's resources are deployed in the most appropriate manner

This **standard** supports POL 10 Finance and FIN/STD/400P/ACC Accounting Principles.

2. Scope

This **standard** applies to staff that are responsible for identifying, approving, paying and recording expenses. It also applies to staff that are involved in any process linked to QR's expenses. While QR is used throughout the Manual, this does not limit in any way the application of this **standard** to QR Limited and its subsidiaries.

3. Responsibilities

3.1 Executive Managers

Executive Managers are responsible for discharging the requirements of this **standard**, and where necessary implementing **business instructions** within their areas of responsibility.

3.2 Manager Policy and Governance (Corporate Finance)

The Manager Policy and Governance **shall ensure** this **standard** is **monitored** and formally **reviewed** within 5 years.

4. Requirements

4.1 Expenses

4.1.1 Identifying expenses

4.1.1.1 Responsible managers must regularly review their operations to identify sources of, and reasons for incurring expenses.

4.1.2 Approving expenses

4.1.2.1 Responsible managers must ensure that:

- (a) Approval for expenses is provided by a person with the appropriate functional and financial delegation;
- (b) Expenses are incurred for only authorised purposes;
- (c) Expense represent reasonable value for money for, and meets the needs of QR;
- (d) QR procures only from properly accredited vendors capable of meeting the needs of QR on a timely basis; and
- (e) The procurement process complies with the State Procurement Policy, where applicable.

Note: Expenditure is to be approved by an officer who will not directly benefit from the payment.

4.1.3 Paying for expenses

4.1.3.1 Responsible managers must

- (a) Obtain reasonable assurances that the amount of an expense is correct and the goods or services the subject of the expense have been provided as requested;
- (b) Ensure that expenses are paid when they become due;
- (c) Ensure that expenses are authorised by a person with the appropriate functional and financial delegation;
- (d) Ensure that appropriate credit is received for returned materials and unused services; and
- (e) Determination of the most effective payment instrument.

4.1.4 Recording expenses

4.1.4.1 Responsible managers must ensure that

- (a) All transactions in which an expense is incurred are identified and recorded;
- (b) Information recorded about expenses including any adjustments should be complete and accurate;
- (c) Information is recorded promptly to allow timely provisions of relevant and reliable information for QR's management reports and for external reporting purposes;
- (d) Sufficient and appropriate documentation is maintained for GST purposes; and
- (e) Sufficient and appropriate documentation is maintained for FBT purposes.

4.1.5 Credit Cards

4.1.5.1 Responsible managers must ensure:

- (a) Credit cards are used only for authorised purposes;
- (b) Misuse is promptly detected through appropriate monitoring controls;
- (c) Use of QR's official credit card facility is restricted to appropriate officers;
- (d) Reasonable documentation about credit card transactions are kept (in line with the QR Purchasing Handbook); and
- (e) Cardholders obtain and supply supporting documentation to provide evidence that expenditure is for reasonable business related purposes.

4.2 Implementation

This ***standard*** takes effect from 31 March 2009.