

<b>Treasurer's Instruction No</b>	<b>308</b>
<b>Title</b>	<b>Government Loans and Guarantees</b>
<b>Effective date</b>	<b>1 July 2005</b>
<b>Objective and Background</b>	<b>Provides instruction on the requirement to monitor the financial position of organisations which are the recipient of Government loans or guarantees</b>
<b>Last Reviewed Date</b>	<b>1 July 2004</b>

*This Instruction was previously known as Treasurer's Instruction No 1013 – Government Loans and Guarantees.*

*Black letter (or bold) items within these Instructions are mandatory and other plain font items are instructional or for the purpose of providing guidance only.*

- (1) The Head of Agency shall ensure that any agreement to provide a Government loan or guarantee shall contain conditions requiring the recipient organisation to:**
  - (a) within one month of the finalisation of the recipient organisation's audited financial statements, obtain a copy of those audited annual financial statements;**
  - (b) each year ascertain, from the audited financial statements, the financial position of the recipient organisation; and**
  - (c) inform the Secretary and Auditor-General should any irregularity be discovered or if it is evident that the financial position of the relevant organisation may or will:**
    - (i) in the case of a Government loan, cause the organisation to be unable to meet the costs involved in relation to its borrowings; or**
    - (ii) in the case of a Government guarantee, involve a liability upon State funds.**
  
- (2) The Head of Agency shall, during the term of every Government loan or guarantee:**
  - (a) within one month of the finalisation of the recipient organisation's audited financial statements, obtain a copy of those audited annual financial statements;**
  - (b) each year ascertain, from the audited financial statements, the financial position of the recipient organisation; and**
  - (c) inform the Secretary and the Auditor-General should any irregularity be discovered or if it is evident that the financial position of the relevant organisation may or will:**
    - (i) in the case of a Government loan, cause the organisation to be unable to meet the costs involved in relation to its borrowings; or**

- (ii) in the case of a Government guarantee, involve a liability upon State funds.**