

South Australia

# Treasurer's Instructions 6 — Statutory Accounts and Banking

under the *Public Finance and Audit Act 1987*

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### 1—Title

These instructions form part of *Treasurer's Instructions (General)* and may be referred to as *Treasurer's Instructions 6 – Statutory Accounts and Banking*.

### 2—Commencement

These instructions will commence on 28 March 2021.

### 3—Objects

The objects of these instructions are to set out requirements for the establishment and operation of—

- (a) deposit accounts, special deposit accounts and the Consolidated Account under the *Public Finance and Audit Act 1987* (the *statutory accounts*); and
- (b) bank accounts and merchant facilities.

### 4—Government-wide banking and financial services

If a public authority is within the scope of an agreement entered into by the South Australian Government for the provision of government-wide banking and government-wide financial services, the Chief Executive must have in place internal controls to ensure that the operations of the public authority are conducted in compliance with the terms of the agreement.

## 5—Statutory accounts

- (1) A public authority may apply, in the form determined by the DTF CE or their delegate, to the Treasurer for a special deposit account or a deposit account.
- (2) The Chief Executive of a government department must ensure that the following items are credited to the government department's operating special deposit account:
  - (a) all amounts appropriated by Parliament for the purposes of the government department and which are paid to the government department from the Consolidated Account from time to time;
  - (b) special purpose grants paid by the Commonwealth, if the Treasurer has directed that those grants be credited to that account (but if no such direction is given then a special purpose grant must be credited to the Consolidated Account);
  - (c) any other revenues that are taken to be controlled by the government department and that are not required by the Treasurer to be paid into another account.
- (3) The Chief Executive of a public authority must ensure that—
  - (a) a special deposit account or a deposit account is not overdrawn; and
  - (b) a special deposit account is only operated in accordance with the account's approved purpose and in accordance with any policies and procedures determined by the Treasurer; and
  - (c) a deposit account is only operated in accordance with the terms and conditions determined by the Treasurer; and
  - (d) internal controls are in place to ensure that requirements of instructions 5(3)(a), 5(3)(b) and 5(3)(c) are achieved.

## 6—Bank accounts

- (1) A bank account must not be opened in respect of a government department without the approval of the DTF CE or their delegate.
- (2) An application for an approval under instruction 6(1) must be in the form determined by the DTF CE or their delegate.
- (3) If a public authority other than a government department opens a bank account, the Chief Executive of that authority must ensure that—
  - (a) the DTF CE is notified that the account has been opened within 5 working days after the opening of the account; and
  - (b) all Australian Dollar bank accounts operated by a public authority are maintained with an ADI; and
  - (c) if a bank account of a public authority is to be operated in another country, it is maintained with an ADI authorised to carry on banking business in that country, or with an internationally recognised financial institution that is authorised to carry on banking business in that country and is otherwise regulated by a central bank or other supervisory or prudential authority of that country or its own country of origin.

- (4) Any bank fees (including any duties and taxes) that apply in relation to a bank account in the name of a public authority must be paid from the authority's funds and not deducted from receipts before crediting those receipts into the bank account.

### **7—Directions relating to bank accounts**

A public authority that is a government department must comply with any written direction of the Treasurer to—

- (a) transfer an amount specified by the Treasurer from any bank account maintained by the public authority to an account at a financial institution specified by the Treasurer for the purpose of government-wide cash management; or
- (b) operate a bank account of the public authority in accordance with policies and procedures established by the Treasurer to facilitate government-wide cash management; or
- (c) close any bank account maintained by the public authority and to transfer any balance remaining to the credit of that account to an account at a financial institution specified by the Treasurer.

### **8—Establishment of merchant facilities**

- (1) The Chief Executive of a public authority may establish a merchant facility for the acceptance of payments, including by credit or debit cards.
- (2) In acting under instruction 8(1), if the Chief Executive considers it to be appropriate to do so, the Chief Executive may—
  - (a) restrict the acceptance of payments by means of credit or debit card to specified transaction types or in any other manner the Chief Executive considers appropriate; or
  - (b) allow a cash withdrawal facility to be offered as part of a merchant facility established under this instruction.
- (3) The Chief Executive of a public authority must obtain the approval of the DTF CE or their delegate before a cash withdrawal facility is included as part of a merchant facility under instruction 8(2)(b).
- (4) The Chief Executive of a public authority must obtain the approval of the DTF CE or their delegate to establish a merchant facility for the acceptance of payments that relate to taxation, fines, licences or other payments that must be credited to the Consolidated Account.
- (5) If a merchant facility is established by a public authority, the Chief Executive of that public authority must ensure that internal controls are in place for the purposes of the operation and security of the merchant facility.

### **9—Financial transaction reports**

The Chief Executive of a public authority must ensure that internal controls are in place to ensure that the operations of the public authority are conducted in compliance with the public authority's obligations under financial transaction reporting legislation.

## 10—Reconciliations

- (1) If a public authority has a bank account that is connected to statutory accounts then the Chief Executive of the public authority must ensure each transaction recorded in the bank account is allocated to the appropriate statutory account.
- (2) The Chief Executive of a public authority must ensure that—
  - (a) a monthly reconciliation is performed for all bank accounts operated by the public authority at the end of each month; and
  - (b) where a public authority records transactions in statutory accounts, the reconciliation identifies the general ledger balances for each statutory account, the sum of which should reconcile to the balance(s) in the public authority's bank account(s) at the end of the month; and
  - (c) where the form of the reconciliation is specified by terms and conditions, policies and procedures or by the DTF CE or their delegate, the reconciliation is in the form specified; and
  - (d) a reconciliation under instruction 10(2)(a) and 10(2)(b) is reviewed by an appropriate officer who did not prepare the reconciliation; and
  - (e) internal controls are in place to ensure that requirements of instructions 10(2)(a), 10(2)(b), 10(2)(c) and 10(2)(d) are achieved.
- (3) For any bank account that is connected to more than one special deposit account or deposit account, the relevant public authority must provide to the Department of Treasury and Finance, within 10 working days after the end of each month, a copy of the monthly reconciliation referred to in instruction 10(2).

## 11—Interpretation

- (1) *Treasurer's Instruction 1 - Interpretation and Application* provides general definitions and principles for the application of these instructions.
- (2) *Treasurer's Instruction 2 - Financial Management* sets out additional requirements in relation to the internal controls required in these instructions.
- (3) Additional guidance, forms and resources are available to finance officers from the Department of Treasury and Finance's extranet ([dtfextra.sa.gov.au](http://dtfextra.sa.gov.au)).
- (4) For the purpose of these instructions—

**ADI** means an authorised deposit taking institution within the meaning of the *Banking Act 1959* of the Commonwealth;

**approved purpose** means the purpose approved under section 8 of the *Public Finance and Audit Act 1987*;

**deposit account** means an account opened under section 21 of the *Public Finance and Audit Act 1987*;

**merchant facility** means a facility by which payments, including by credit or debit card, may be accepted by a public authority by an electronic payment system or other similar funds transfer system (including the acceptance of payments via an EFTPOS terminal, telephone or Internet payment service);

*operating special deposit account* means a special deposit account of a government department that has as part of its approved purpose the recording of the activities of that government department;

*special deposit account* means a special deposit account established under section 8 of the *Public Finance and Audit Act 1987*.

## 12—Transitional

- (1) The transitional provisions set out in *Treasurer's Instruction 1 - Interpretation and Application* apply.
- (2) Instruction 2.5 of *Treasurer's Instruction 2 - Financial Management* applies to policies, procedures and systems connected to internal controls required by these instructions.
- (3) For the purpose of the transitional provisions—

*revoked TI* means *Treasurer's Instruction 6 - Deposit Accounts and Banking* issued 14 January 2011 and *Treasurer's Instruction 4 - Establishment of Merchant Facilities for Acceptance of Payments* issued 21 January 2015.