



Chief Executive Financial Instruction No. 7

Care and Custody of Money

Document Information

Audience

All Staff

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EXECUTIVE SUMMARY

Receivers of the Suburban Land Agency (the Agency) monies and holders of petty cash advances must hold a delegation and are accountable for any loss of the Agency's monies.

The Agency's money is to be banked no later than the next banking day after receipt.

The Agency may open bank accounts and make arrangements in relation to banking.

Trust monies must be accounted for separately from Agency funds and must only be expended with the authorisation of the person/s with responsibility for the monies.



1. Obligations under this Instruction

1.1 Overview

The Agency has responsibility to safeguard public monies and private monies held under trust arrangements. It is issued in accordance with the provisions of the *Financial Management Act 1996 (FMA)*. This instruction is intended to assist the Agency's officers to appropriately discharge their responsibilities.

Officers must make all reasonable efforts to recover amounts lost through fraud, theft, or overpayment of either public money or trust money. In cases of fraud and theft, reporting and follow-up action should be in accordance with the Agency's Fraud and Corruption Control Plan.

1.2 Compliance

Failure to comply with these instructions may result in fraud against the Agency.

Managers and staff are therefore accountable to the CEO for the fulfilment of their responsibilities under these instructions. Non-compliance will be taken as a serious matter and may result in disciplinary action or be reflected in management performance reviews.

2. Overview of the Agency's Money

2.1 Overview

The proper care and custody of the Agency's money is essential for the efficient and effective financial management of the Agency.

2.2 Definition

The Agency's money is defined as money in the custody or under the control of the Agency, or in the custody or under the control of any person acting for or on behalf of the Agency.

This includes such money that is held on trust for, or otherwise for the benefit of, a person other than the Agency. The following table defines key terminology used in this Instruction and related Procedures.

| Term | Definition |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Received Money | All money received, whether or not it is banked. |
| Agency's Money | Includes: Cash; Cheques; Money orders; Funds transfer; and Balance of official bank accounts held for credit of the Agency |

3. Instructions for the Receiving of Money

3.1 Receivers of Money

Specific staff members are designated in the Financial Delegations Register with 'Authority to Receive Monies and Issue Receipts', and are also responsible for the banking of the Agency's monies.



4. Instructions for the Banking of Money

4.1 Time frame

Staff members who receive money must pay the money into an Agency's bank account as soon as practicable. In any case, it shall be processed no later than the next banking day.

Solicitors receive the cheques on the Agency's behalf and will bank the cheque no later than the next banking day. Cash is no longer acceptable as a form of payment.

5. Instructions for Banking Arrangements

5.1 Authority to open an account

Shared Services will open one or more bank account(s) on the Agency's behalf and make arrangements in relation to banking for the authority under section 57 of the FMA. Under section 57 of the FMA a Territory Authority bank account must not, without the Treasurer's written approval, be opened or maintained otherwise than with an authorised deposit-taking institution with which an agreement is in force under section 32 of the FMA.

5.2 Responsibility

The Agency must:

- establish such bank accounts with bankers as the Treasurer approves;
- not open bank accounts in the name of individuals; and
- designate officers to be signing and countersigning officers to operate official bank accounts.

6. Instructions for Trust Monies

6.1 Trust Monies

Trust monies must be accounted for separately from Agency funds and must only be expended following the receipt of the appropriate authorisation of the persons or body responsible for the monies.

7. Instructions for Official Advances

7.1 Use of advances

Only authorised staff delegated with 'Authority to Hold Cash Advances' may approve the establishment of approved advances, and only for the purpose of:

- change floats in connection with the receipt of money; and
- paying minor amounts in the nature of operating costs for the Agency.

7.2 Responsibilities

Advance holders responsible for an official advance will:

- follow the Strategic Finance procedure for the operation of that advance;
- not make payments from official advances for any purpose other than that purpose for which the advance was established;
- maintain records of all transactions pertaining to the official advances for which they are responsible;
- reconcile cash on hand to advance levels on a monthly basis and immediately prior to seeking reimbursements;
- be personally responsible for the advance and must ensure adequate security over the advance; and



- credit unidentified receipts to a specified ledger account and hold the amount there until identified. This account should be reconciled at least monthly. Reasonable steps must be taken to identify such receipts as soon as possible.

8. Instructions for Loss of Money

8.1 Custody of money

A person has custody of money if that person:

- holds the money by way of a petty cash advance, change float or other advance; or
- has received the money but not yet banked it.

8.2 Liability for losses

If a loss (which includes deficiency) of the Agency's money occurs, the staff member who had nominal custody of the money is liable to repay the Agency an amount equal to the loss. "Loss", in this context, does not include the Agency deciding, or being compelled, to pay money in response to some matter.

8.3 Defending a liability

It is a defensible action, if the staff member involved proves that they took reasonable steps to prevent the loss, taking into account all of the circumstances.

8.4 Recovering amounts lost

Officers must make all reasonable efforts to recover amounts lost through fraud, theft, or overpayment of either Agency money or trust money.

Suspected cases of fraud and theft should be immediately reported to the Senior Executive Responsible for Business Integrity Risk (SERBIR).