



The Public Finance Framework

Overview

- Legislation
- Public Account Structure
- Business Rules
- Cash Management
- Accrual Budgeting Implications

Legislation

- *Constitution Act 1934*
- *Public Account Act 1986*
- *Financial Management and Audit Act 1990*
- *Administrative Arrangements Act 1990*



Constitution Act 1934

- Part IV – Money Bills: Powers of Houses
- Section 36 – Interpretation
- Section 37 – Money Bills Originate in the Assembly
- Section 39 – Matters Dealt with in Appropriation Bills
- Section 42 – Amendment of Bill
- Section 43 – Request Amendment from Assembly

Public Account Act 1986

- Section 5 – Establishes 2 Funds
 - Consolidated Fund
 - Special Deposits and Trust Fund
- Section 8 – Defines Classes of Expenditure
 - Recurrent Services
 - Works & Services

Public Account Act 1986

- Section 8A – Carry Forward Consolidated Fund
 - Unspent Appropriation
- Section 9 – Defines Supporting Papers
- Section 11 – Treasurers Reserve
 - Recurrent Services
- Section 12 – Works & Services Additional Payments

Public Account Act 1986

- Section 13 – Establishes the Special Deposit and Trust Fund
- Section 14A – Provision for Temporary Supply Payments



Financial Management and Audit Act 1990

- Section 14 – Treasurers Expenditure Control Authority
- Section 19 – Money to be Paid to the Public Account
- Section 22 – Head of Agency Responsibilities
- Section 23 – Treasurers Instructions (TI's)
- Section 25 – Treasurers Quarterly Statements
- Section 26 – Treasurers Annual Statements

Financial Management and Audit Act 1990

- Section 27 – Reports by Heads of Agencies
- Section 30 – Tabling of Reports
- Part 3 – Audit
- Part 4 – Recoveries & Write Offs
- Regulations

Administrative Arrangements Act 1990

- Section 6 –

Effect On Appropriations Of Altered Administrative Arrangements



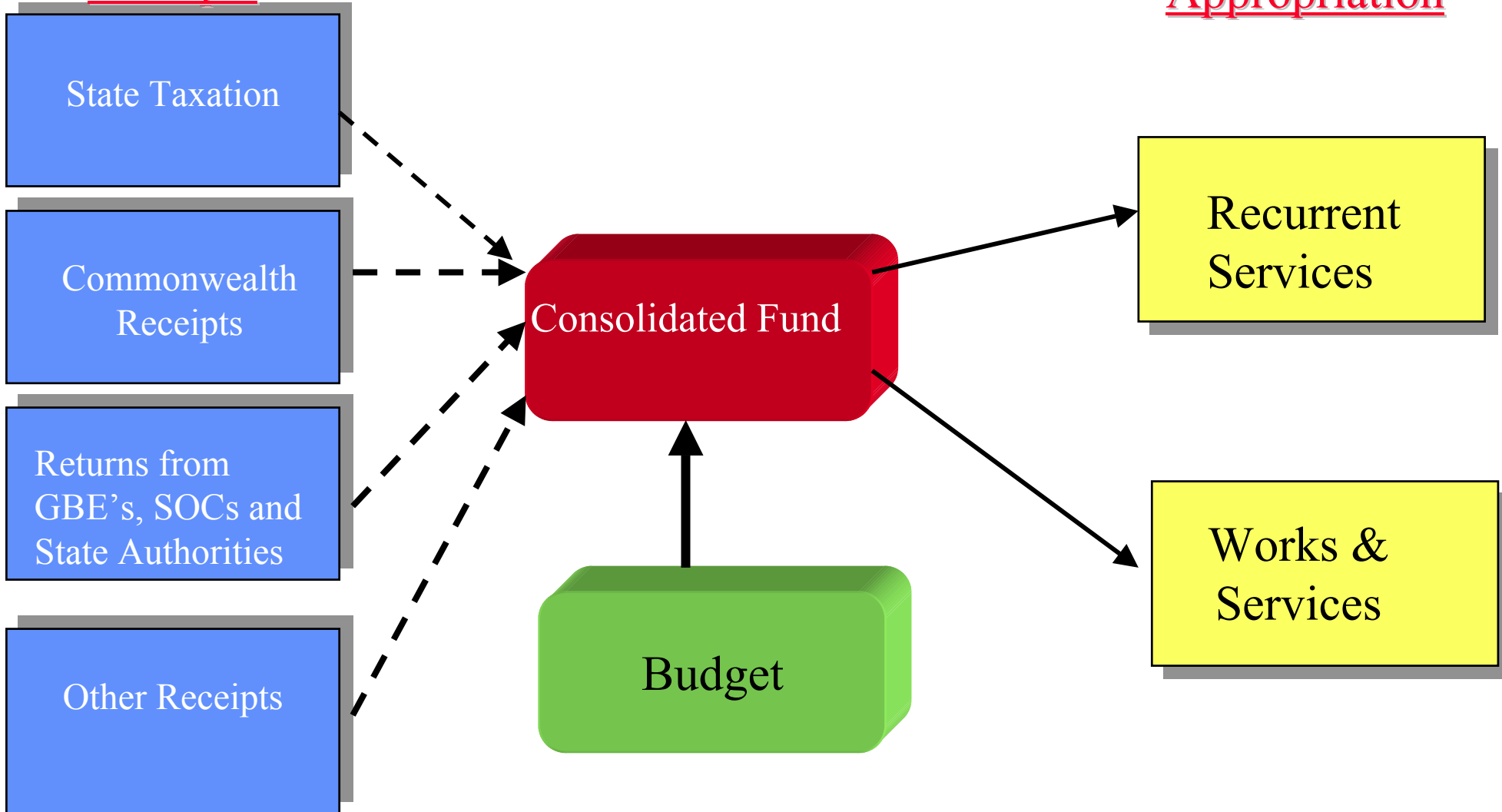
Public Account Structure



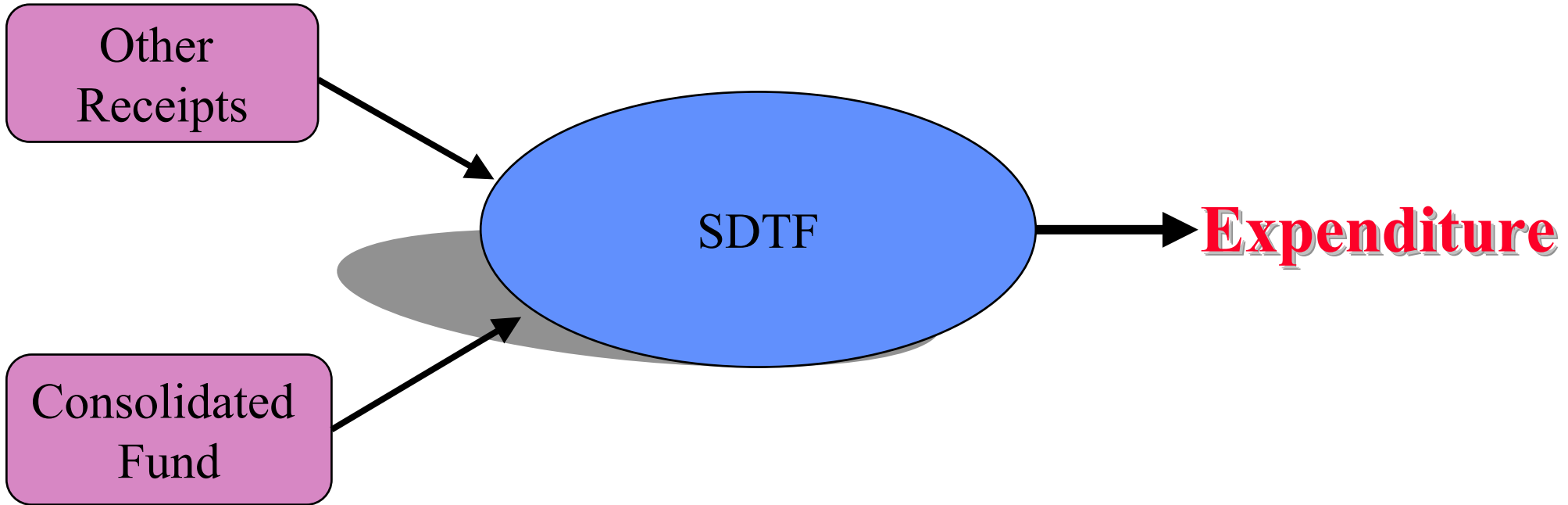
Consolidated Fund

Receipts

Appropriation



Special Deposit and Trust Fund (SDTF)



Business Rules – Special Deposits and Trust Fund

- Creation of Accounts
- Interest
- Overdraft
- Draw Down



The Public Account - 1986

Consolidated Fund

Appropriation Act

Reserved by Law Payments

Expenditure by program on recurrent services and works and services approved by Parliament on line item basis.
Result by surplus/deficit

Special Deposits and Trust Fund

Trust Accounts

Other Accounts

Expenditure not subject to Parliamentary scrutiny

The Public Account – 2002

Consolidated Fund

Special Deposits and Trust Fund

Appropriation Act

Reserved by Law Payments

Trust Accounts

Department Operating Accounts, Business Unit Accounts, Legislative Accounts and Overdraft Accounts - all subject to Parliamentary scrutiny, but only Consolidated Fund appropriated. Result by NFR.

PROVISION OF OUTPUTS

Agency Accrual Financial Statements

Whole of Government Balance Sheet

Uniform Presentation Framework

GOVERNMENT CASH MANAGEMENT PROCESSES



Cash Management

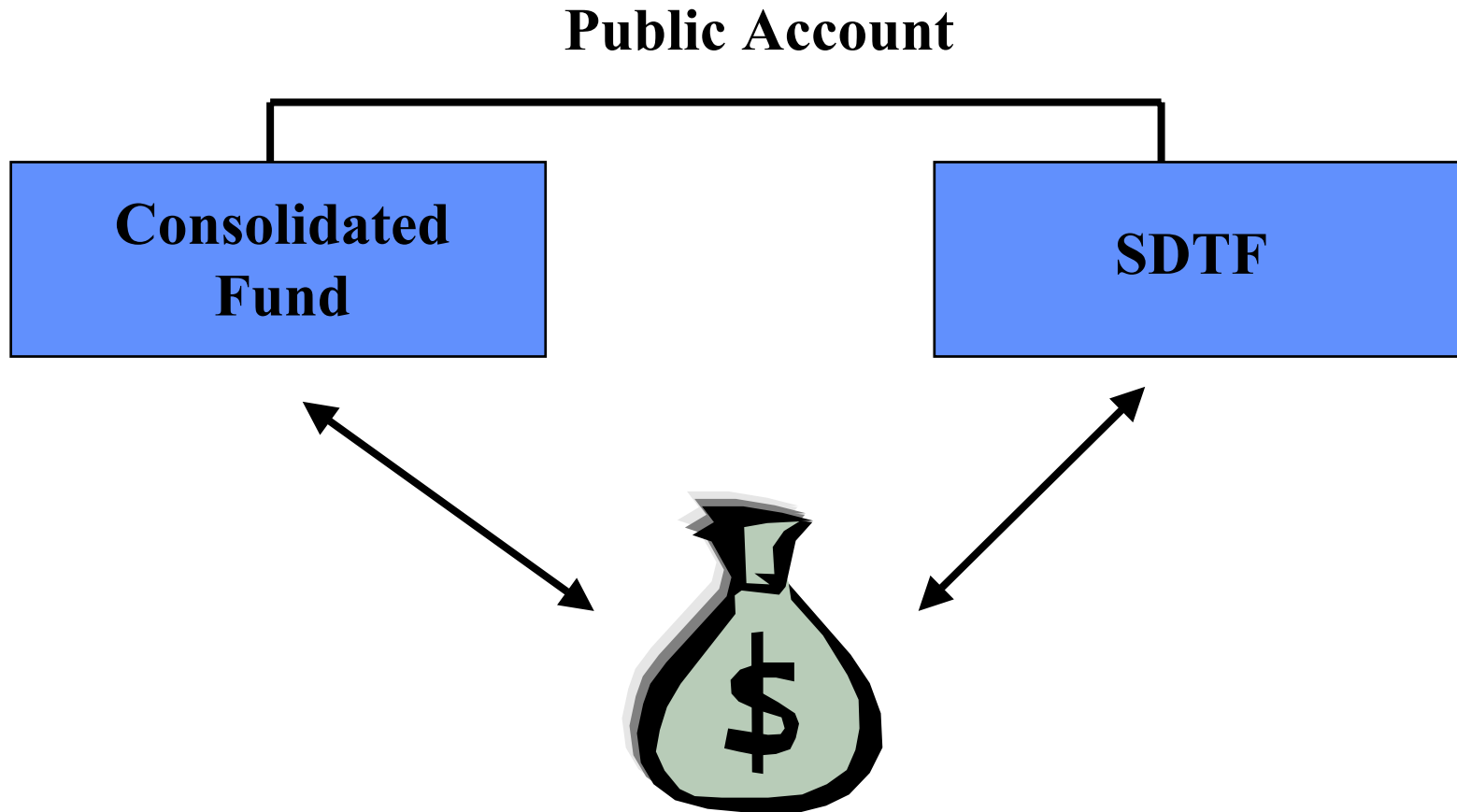
- **Legislative Requirements**
- **Cash Sources and Banking Arrangements**
- **Agency Cash Flows**
- **Managing and Monitoring the Cash Position**
- **The Future**

Legislative Requirements

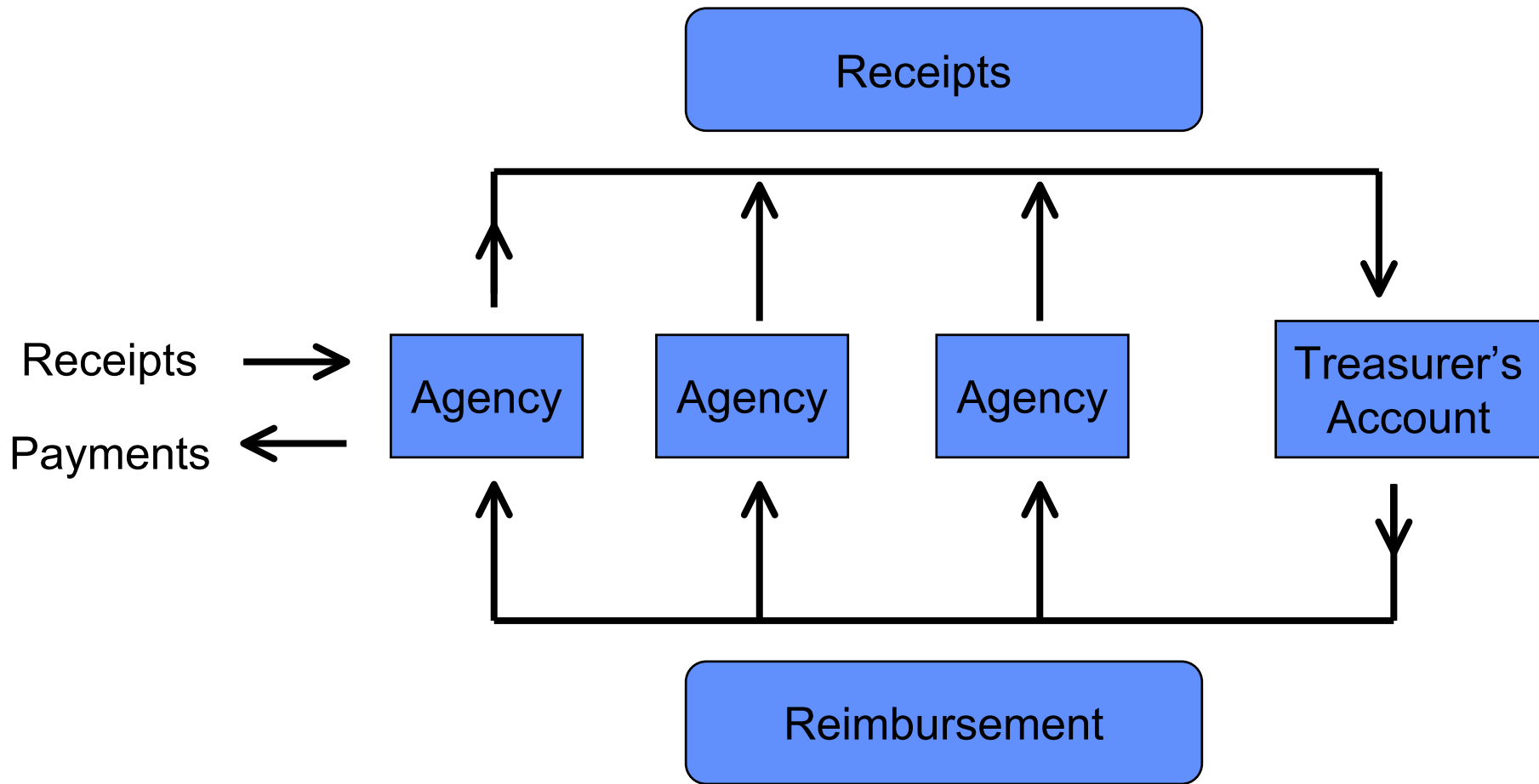
Financial Management and Audit Act 1990

- Section 11 - Bank accounts
- Section 12 - Treasurer may approve overdraft
- Section 18 - All money to be paid to a bank account
- Section 19 - Public money to be credited to the Public Account
- Section 20 - Other money collected to be credited to Special Deposits and Trust Fund

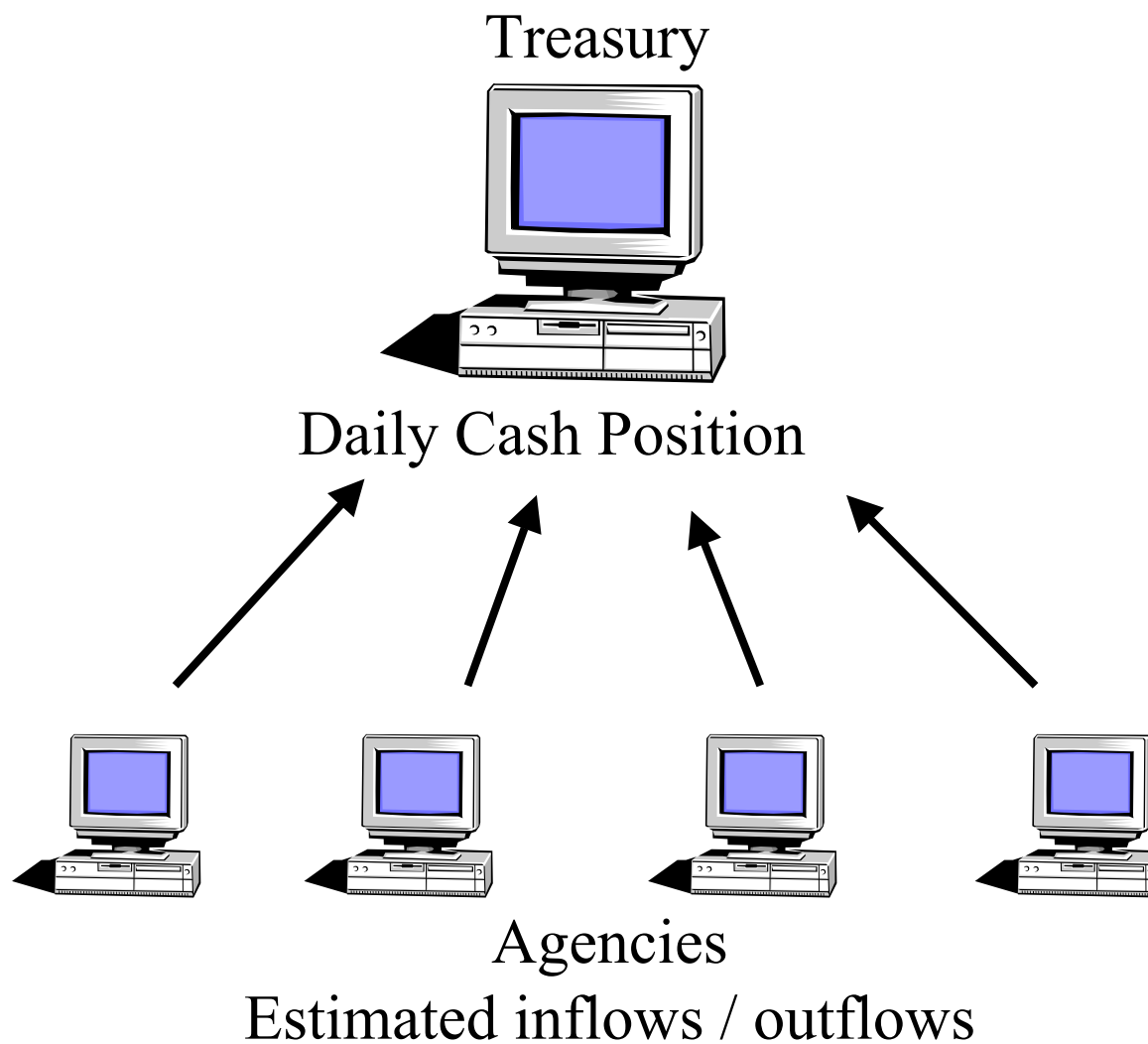
Cash Sources



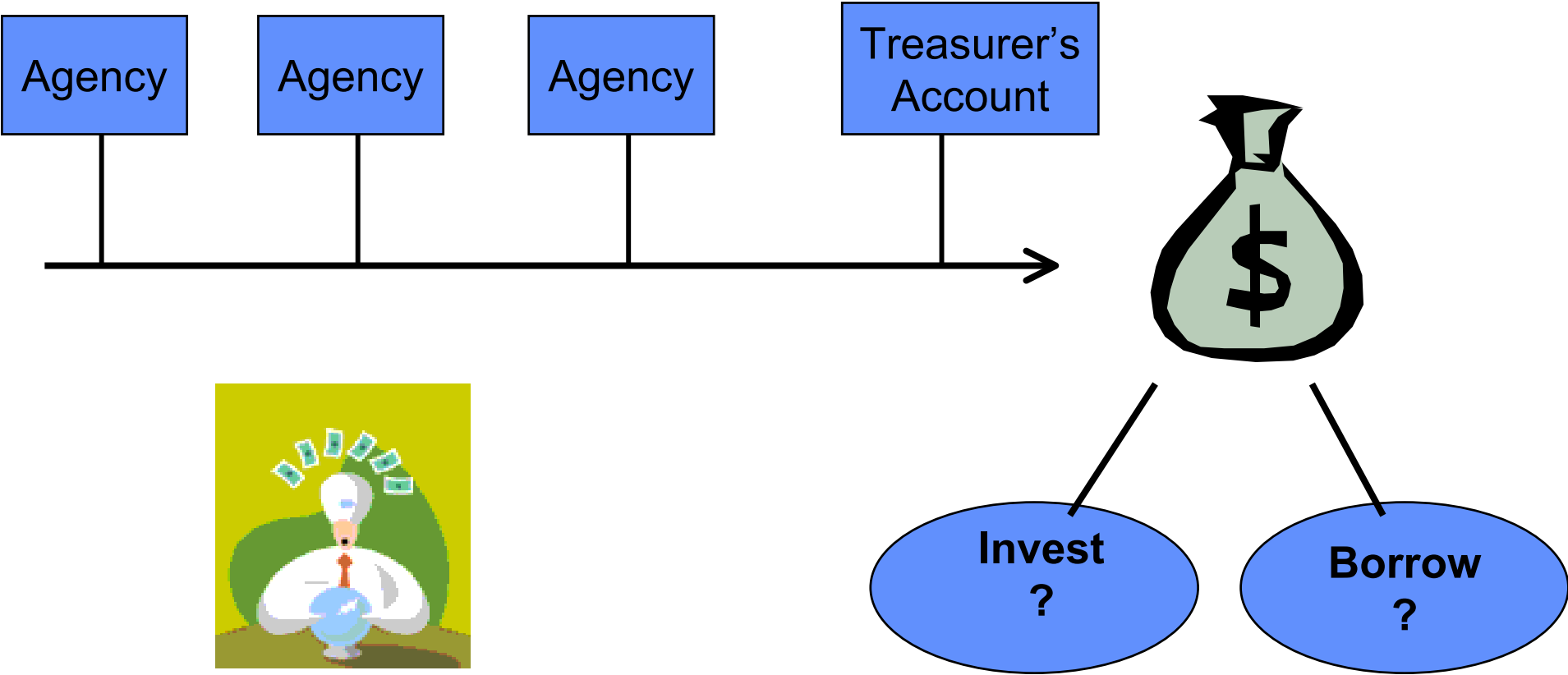
Agency Cash Flows



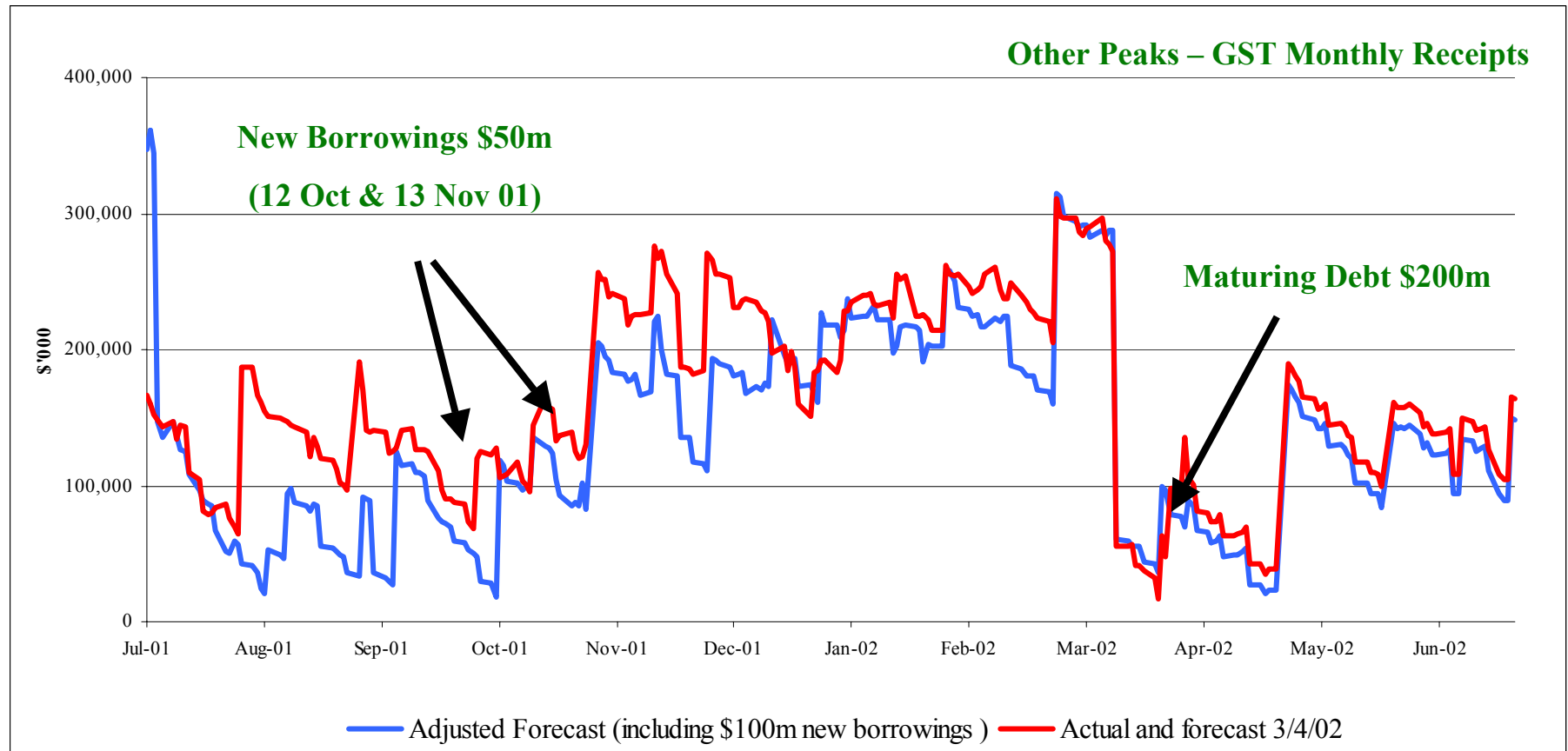
Managing Agency Daily Cash Flows



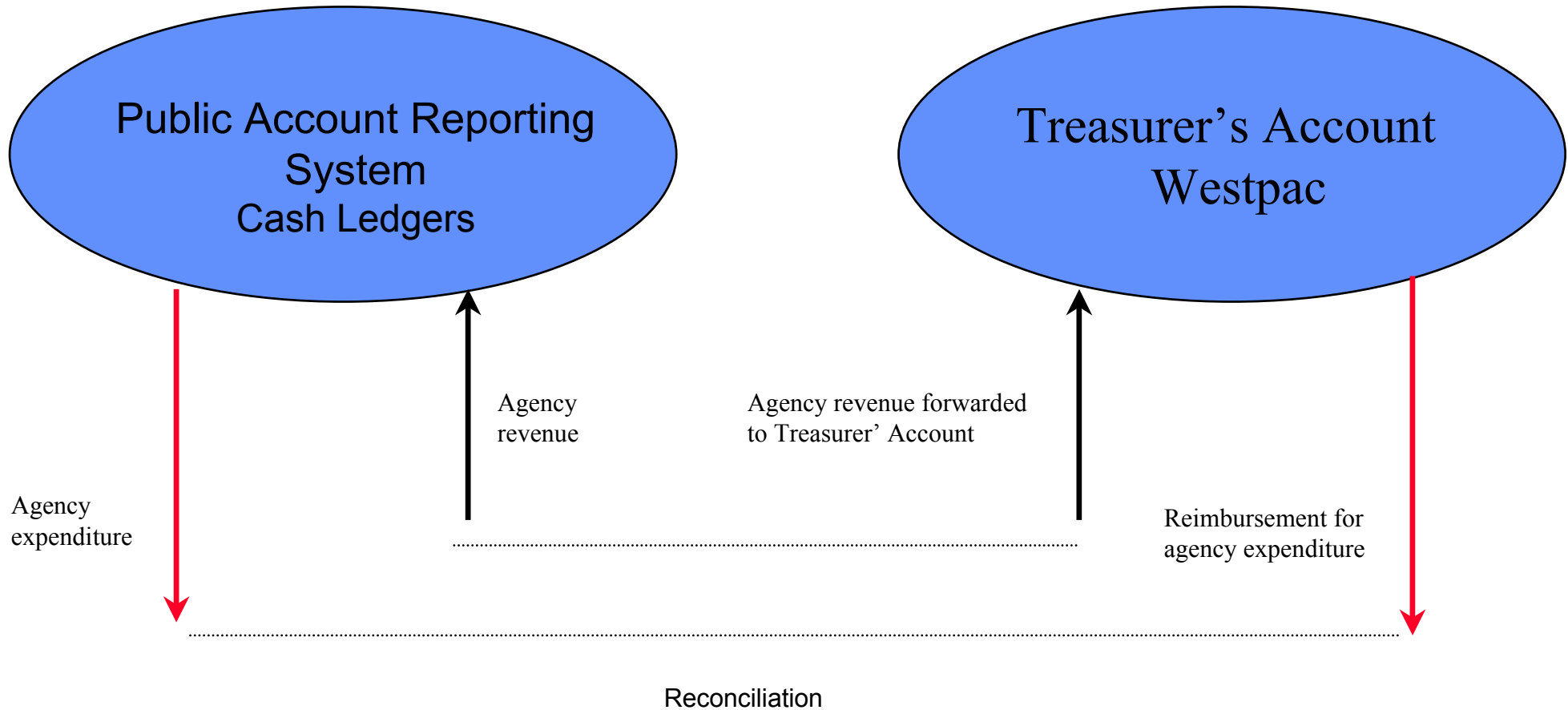
Banking Arrangements



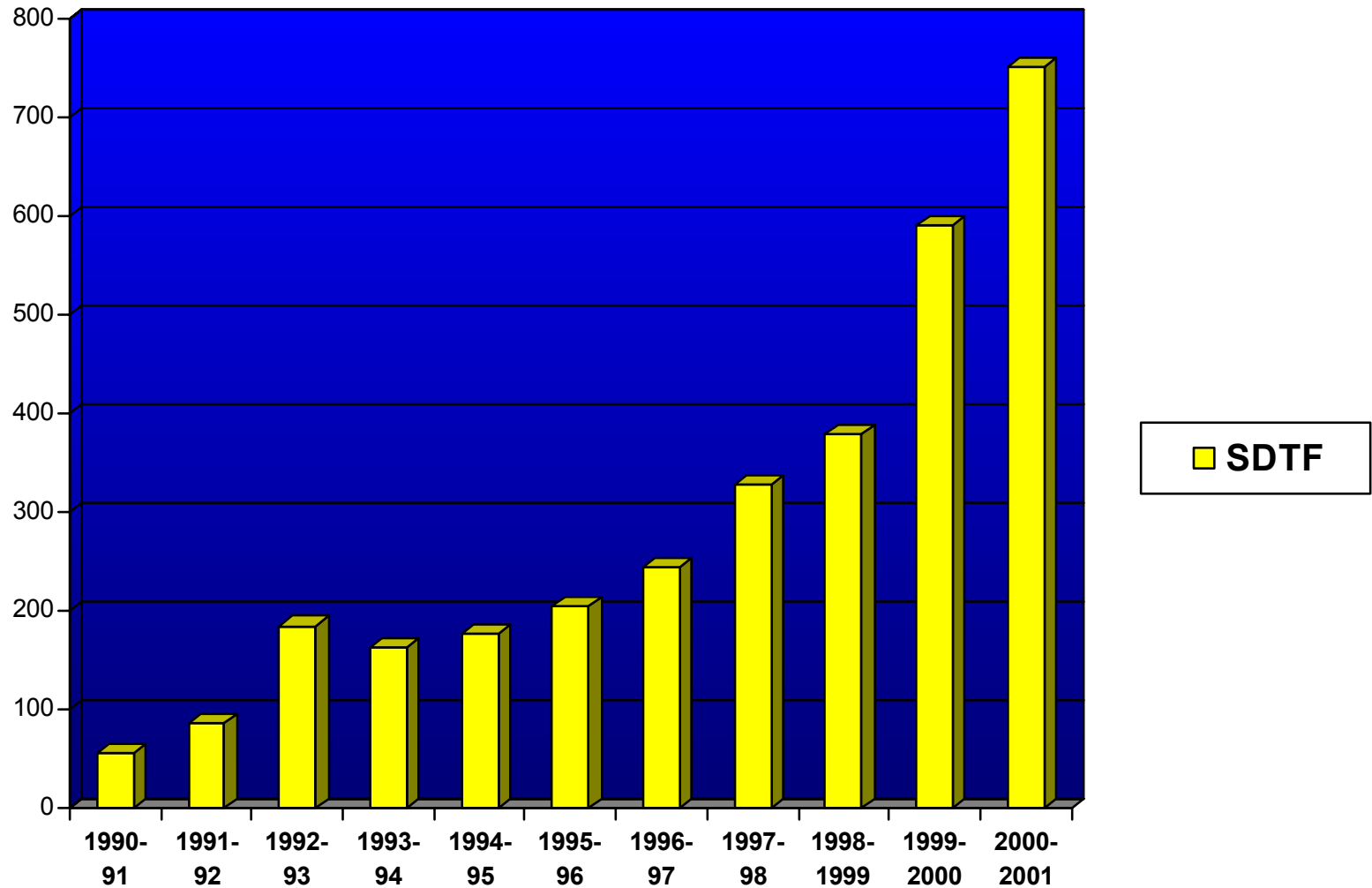
Monitoring of Cashflows



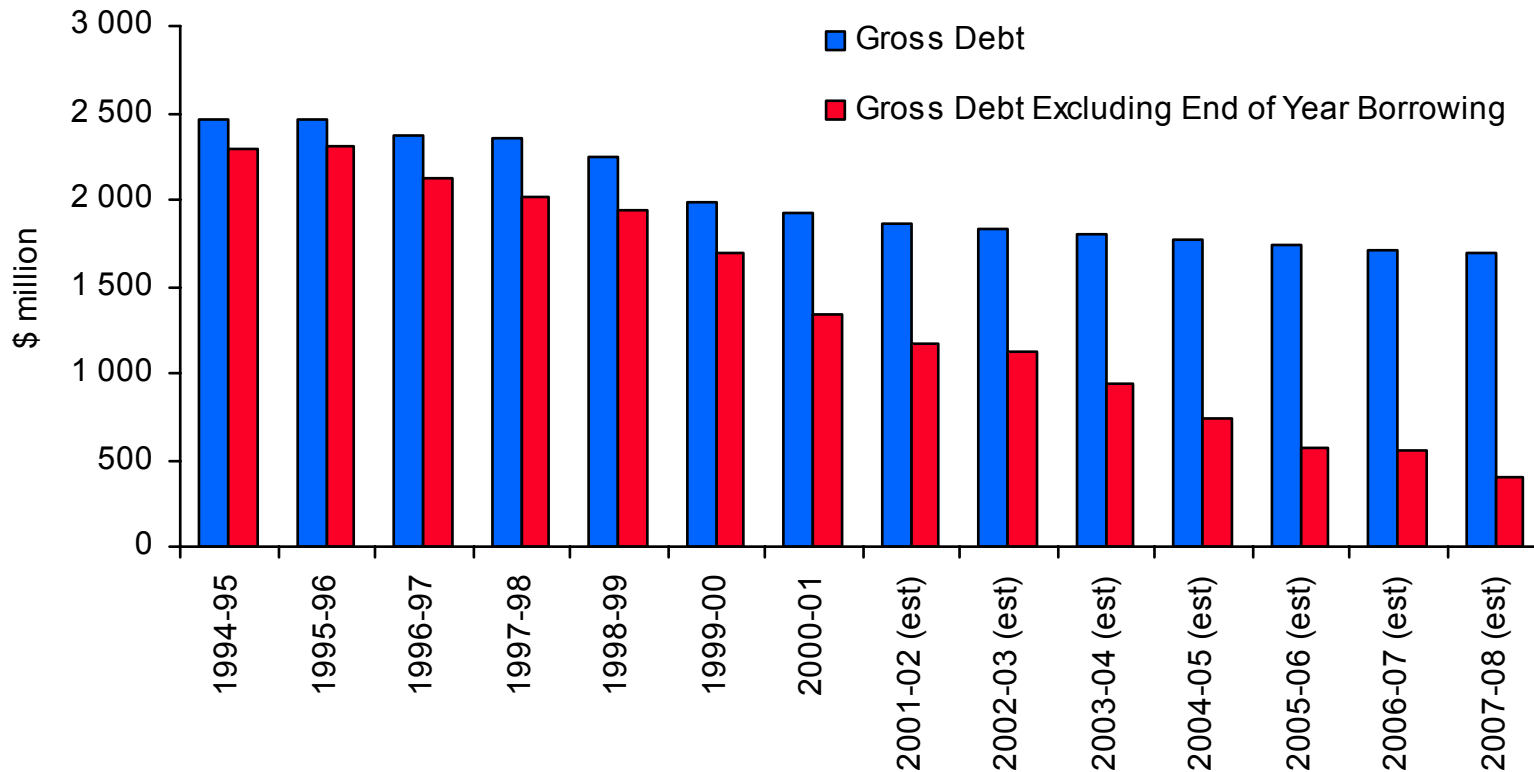
Reconciliation Process



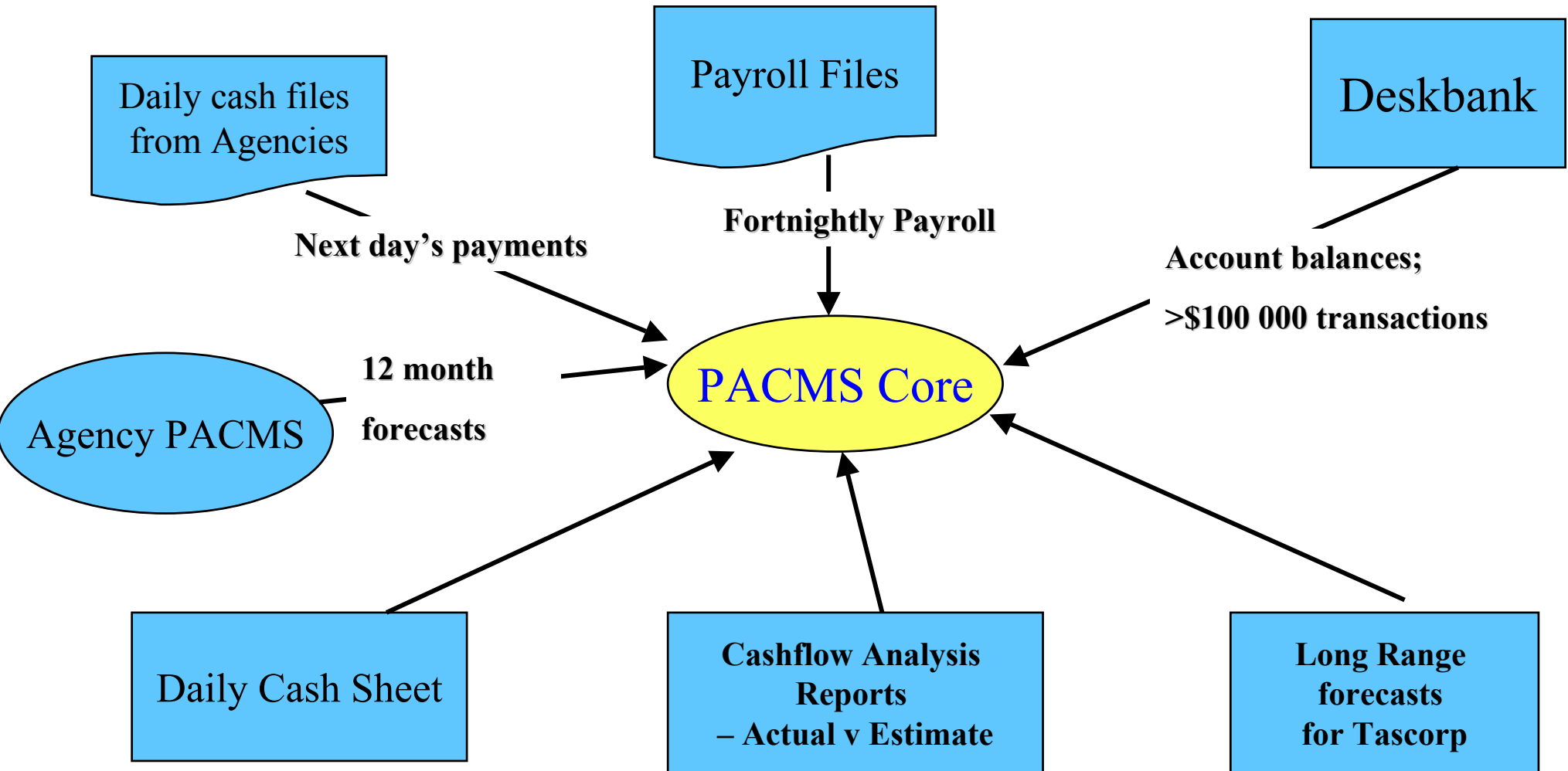
The Major Cash Generators



Using the Cash Balance



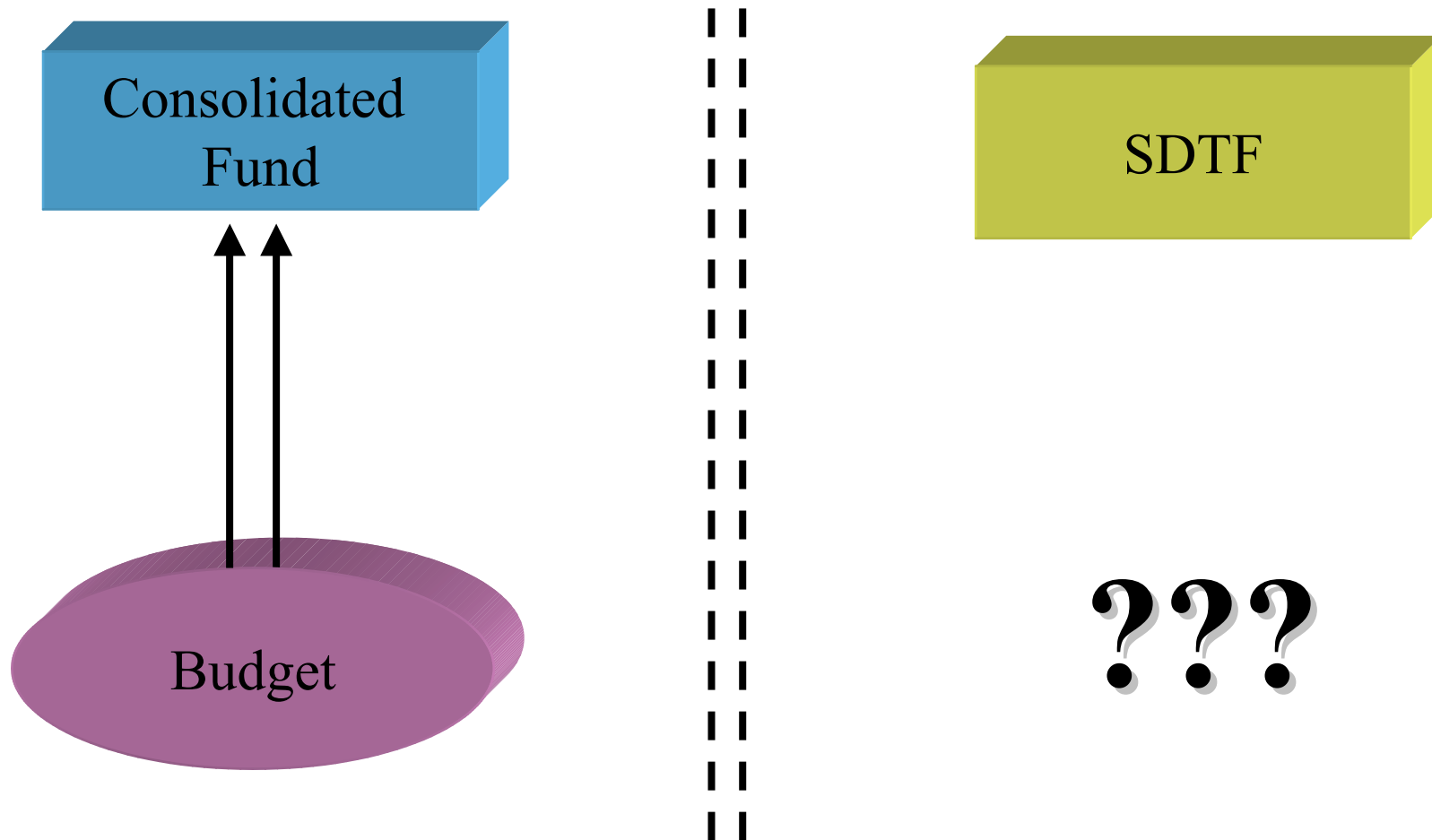
PACMS Overview



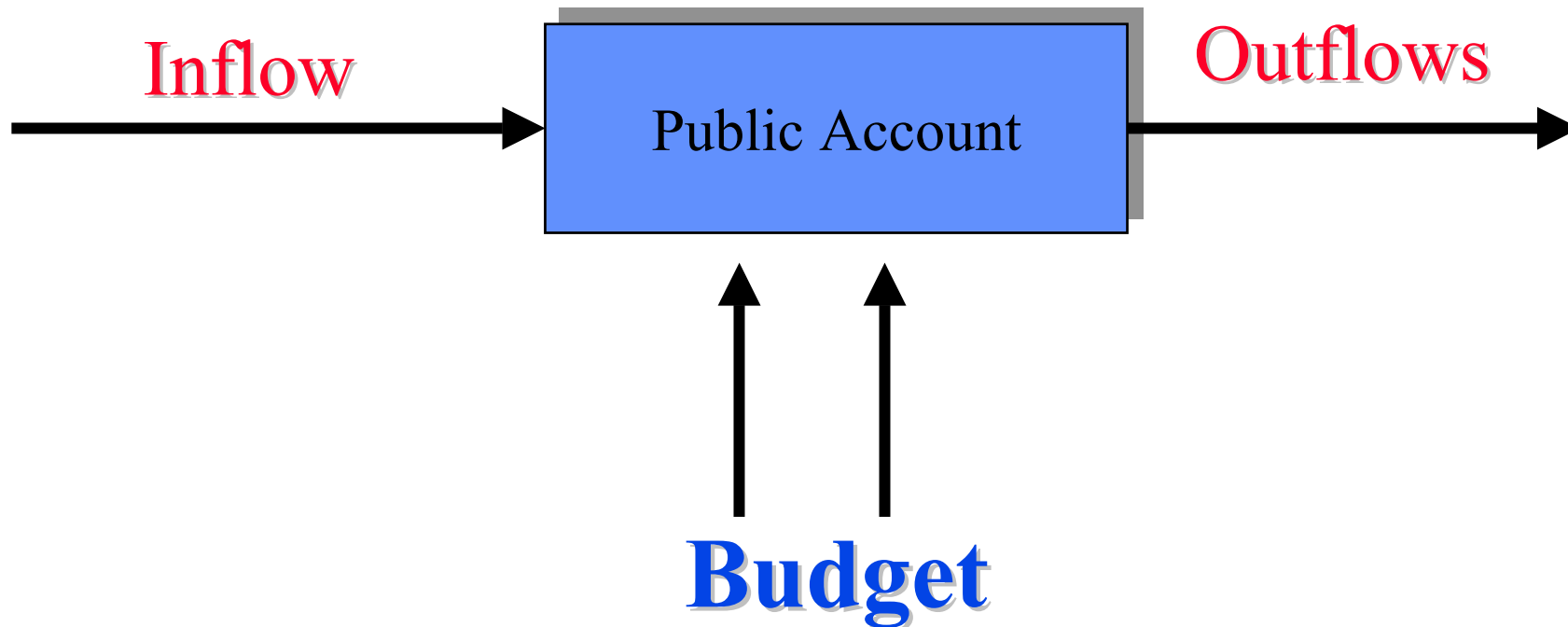


Accrual Budget Implications

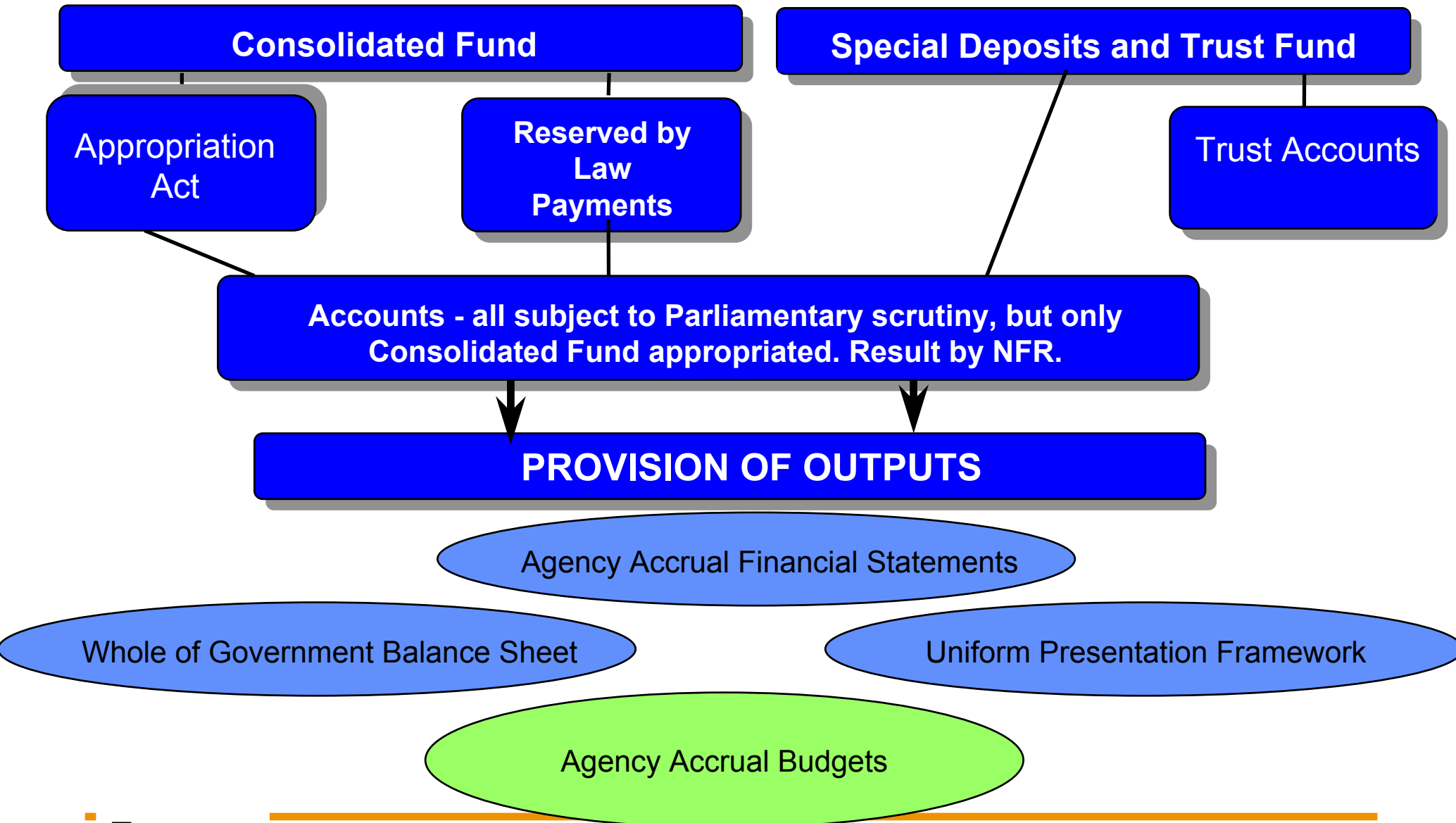
Accrual Budgeting Implications



Accrual Budgeting Implications



The Public Account – 2002



General Discussion Points

- Focus on Accrual UPF for Aggregate Budget Outcome
- Agency Budgets on an Accrual Basis
- Shift From Consolidated View to Public Account View



The End