

TREASURER'S INSTRUCTION
FINANCIAL MANAGEMENT ACT 2016
AGENCY TRUST ACCOUNTS

EFFECTIVE DATE

1 July 2019

SCOPE

This Treasurer's Instruction applies to all agencies listed in Column I of Schedule I, Part I in the *Financial Management Act 2016* unless otherwise exempted or provided for under the provisions of the Act.

APPLICATION

At all times.

OBJECTIVE

To provide direction in relation to the establishment, operation, change in purpose and closing of Agency Trust Accounts.

INSTRUCTION**Agency Trust Accounts**

- 21.1 Section 18 of the Act provides that the Treasurer may establish an Agency Trust Account, for a particular purpose or purposes.
- 21.2 The Accountable Authority must seek the prior written approval of the Secretary of the Department of Treasury and Finance for the establishment of an Agency Trust Account, or for the alteration to the purpose or purposes of an Agency Trust Account.
- 21.3 The Accountable Authority must ensure that an Agency Trust Account is not used for any purpose or purposes other than that purpose or purposes approved by the Secretary of the Department of Treasury and Finance in accordance with paragraph 21.2 or any other written law.
- 21.4 The Accountable Authority must ensure that only those receipts that are specifically approved by the Secretary of the Department of Treasury and Finance in accordance with paragraph 21.2 are retained and subsequently spent by the Agency.
- 21.5 The Accountable Authority must ensure that an Agency Trust Account is not overdrawn at any time and that commitments to expenditure from an Agency Trust Account are only made where funds are available in the Account.

- 21.6 The Accountable Authority must ensure that Agency Trust Account money is held in an authorised deposit-taking institution account with the Government’s banker, unless otherwise determined by the Secretary of the Department of Treasury and Finance.
- 21.7 The Accountable Authority must ensure that the actual and estimated balances of each Agency Trust Account, together with the total amounts of actual and estimated receipts and payments, are reported in the financial statements of the Agency for the relevant financial year.
- 21.8 The Accountable Authority must ensure that the Agency submits Budget and Forward Estimates information into the Budget Information Management System for each Agency Trust Account.

Closure of Agency Trust Accounts

- 21.9 If the Accountable Authority considers that an Agency Trust Account is no longer required, the Accountable Authority must seek prior written approval from the Secretary of the Department of Treasury and Finance to close the Account.

Treasurer’s authority for Agency Trust Accounts

- 21.10 The Treasurer has delegated the authority to approve the establishment of Agency Trust Accounts to the Secretary of the Department of Treasury and Finance.
- 21.11 The Treasurer has delegated the authority to approve the opening of Agency Trust Accounts and determine any terms and conditions on those accounts to the Secretary of the Department of Treasury and Finance.
- 21.12 The Treasurer has delegated the authority to close Agency Trust Accounts to the Secretary of the Department of Treasury and Finance.

ADDITIONAL GUIDANCE

Further information in support of this Treasurer’s Instruction can be found in the *Financial Management - Better Practice Guidelines*.