



Advance account Procedure

1. Purpose

The purpose of the advance account Procedure is to:

- outline the requirements for the establishment, use, management and closure of advance accounts
- establish internal controls to ensure transactions are valid, appropriately authorised and accurately recorded to minimise the risk of misuse and/or unexplained variances
- ensure compliance with the requirements under Treasurer's Instructions (TIs) and other across-government legislation.

2. Scope

This procedure applies to all DCP staff responsible for establishing, operating, maintaining and reconciling advance accounts held within DCP.

3. Authority

3.1 Legislative context

- [Commonwealth Banks Act 1959](#)
- [Financial Transactions Reports Act 1988](#)
- [Public Finance and Audit Act 1987.](#)

3.2 Whole of Government requirements

- Across government mandated banking arrangements
- [SA Public Sector Code of Ethics](#)
- [SA Public Sector Fraud and Corruption Control Policy](#)
- [Shared Services SA NG e-Procurement System](#)
- [Treasurer's Instructions.](#)

3.3 DCP requirements

- [Cash Management Policy](#)
- [Fraud and Corruption Control Framework](#)
- [Financial Authorisation Procedure](#)
- [Financial Authorisations Register](#)
- [Financial Management Compliance Framework](#)
- [Petty Cash Procedure](#)
- [Receiver of Revenue.](#)



4. Procedure requirements

Advance accounts are held for the purposes of providing:

- replenishment of a petty cash float
- annual activity grant monies (Residential Care only) upon approval from the Chief Financial Officer (CFO) to determine amount and process for applying the annual activity grant.

Advance accounts must not be used for payment of the following transactions:

- trade or client vendor accounts
- carer reimbursements
- employee reimbursements.

Where purchases through the Basware NG e-procurement System are not possible, a Corporate Purchase Card, Store Account or Petty Cash may be used if the purchase is in accordance with appropriate procedures.

In accordance with TI 6 Deposit Accounts and Banking, an advance account must NOT be overdrawn at any time. Where an advance account inadvertently becomes overdrawn, the office/business unit must rectify the matter immediately and contact the Financial Systems and Compliance Unit (FSCU) via DCPPettyCashandAdvanceAccounts@sa.gov.au to advise that the account is overdrawn.

4.1 Establishment of an advance account

The creation of a new bank account to be used as an advance account must be endorsed by the Chief Executive (CE) and CFO.

The primary purpose of an advance account is for the replenishment of a petty cash float, therefore advance accounts must be established in conjunction with a Petty Cash float. Refer to the [Petty Cash Procedure](#) for further information on establishing a petty cash float.

In accordance with TI 6, a bank account, deposit account or special deposit account may not be opened without the approval of the Department of Treasury and Finance (DTF) CE or their delegate. That approval shall be sought by the CE, or by an officer to whom the CE has delegated, in accordance with the [DCP Financial Authorisations](#), by submitting a written request to DTF.

All advance accounts must be opened in accordance with:

- any across government mandated banking arrangements
- the requirements set out under TI 6
- the requirements of the *Public Finance and Audit Act 1987*.

All requests for new advance accounts need to be supported by a briefing identifying:

- reasons for requiring an advance account
- uses to which the advance account will be applied
- officers who will manage the advance account
- security and other control factors (for example, secure storage of advance account cheque books).

All requests must be forwarded to the FSCU via DCPPettyCashandAdvanceAccounts@sa.gov.au for review and consultation prior to submitting to the appropriate delegate.

Upon approval, FSCU, is responsible for ensuring that appropriate banking forms are completed and processed and that accounting entries are processed to reflect the establishment of the advance account.

The FSCU is responsible for maintaining a register of all advance accounts. The register must contain all details of advance accounts including the business unit, approved values, signatories and any details of temporary variations including the start and end date of any variations.



4.2 Advance account amendments

Applications to vary an advance account, including all float limit amendments, must be in writing to the appropriate delegate as per the [Financial Authorisations Register](#).

All requests must be forwarded to FSCU via DCPPettyCashandAdvanceAccounts@sa.gov.au for review and consultation prior to submitting to the financial delegate.

Requests to vary an advance account may be temporary or permanent.

Following approval, in consultation with the FSCU the implementation of the variation will be completed. Appropriate accounting entries, where required, must be made to reflect the amendment.

Where approved variations to advance account floats are temporary, the requesting business unit and the FSCU are jointly responsible for ensuring that necessary adjustments are made at the cessation of the temporary period.

4.3 Approved purposes

In accordance with TI 6, an advance account is only to be utilised for the purpose for which it was created (refer section 4 above).

For NGO provided non-family based care (e.g. Supported Independent Living Services, Residential Care), all client related costs should be covered within the funding provided to the service provider as per the [Child Related Costs Service Provision Requirements](#).

For any queries regarding contractual funding please contact the [Service Contracts and Licensing Team](#).

In exceptional circumstances, approval may be provided by the CFO for an office/business unit to utilise advance account funds for a purpose outside those mentioned above. If such an instance arises, please contact the FSCU via DCPPettyCashandAdvanceAccounts@sa.gov.au for further advice/approval.

4.4 Cheques and cheque signatories

Cheques may be cashed in accordance with the [Financial Authorisations Register](#) and with two appropriately approved cheque signatories. Cheque signatories must sign the cheque and not initial the cheque.

Signatories are appointed / removed in accordance with the [Financial Authorisations Register](#).

For all requests to add, amend or remove an account signatory, please contact the Financial Systems and Compliance Unit via DCPPettyCashandAdvanceAccounts@sa.gov.au requesting the appropriate form to be completed.

To set up new signatory arrangements, banking providers are required to verify your identity as per the Anti-Money Laundering and Counter-Terrorism Financing Act. Once a new signatory request has been received, the FSCU will provide details of how to complete the ID verification process.

The current DCP banking authority requires formal identification (i.e. driver's licence) to be presented to branch staff at the time of cashing a cheque. If the cheque is \$5,000 or greater, please contact the Financial Systems and Compliance Unit before attending a branch to cash the cheque.

Cheques **must not** be made to "cash" under any circumstances.

Cheques for payments from advance accounts must only be made out to:

- a staff member (payee) - (the person cashing the cheque)
- the Department for Child Protection, only for monies to be returned to the DCP Operating Account.



NOTE: If exceptional circumstances have been approved by the CFO, a cheque may be made out to the approved payee.

Cheques **must not** be crossed as 'Not Negotiable'. This will allow the cheque to be cashed at the bank without the need to first deposit the cheque into a bank account.

4.4.1 Security

Office/business units are responsible for the implementation of appropriate security processes over all cheques held by the business unit. Including:

- advance account cheque books must be stored in a locked, secure safe at all times
- handling situations such as armed robberies
- delivering/retrieving amounts to/from the bank. Staff attending a bank branch must always consider personal safety and ensure physical security measures and appropriate precautions are in place while transporting large sums of money. This may include having another staff member attend the branch with the payee. Please refer to the Safe Work Australia's [Guide For Handling And Transporting Cash](#).

It is a requirement to deposit cheques regularly. Written cheques are not to be held for more than three working days.

4.4.2 Unpresented cheques

Unpresented cheques must be monitored and reviewed on a regular basis.

Cheques that remain unpresented for two consecutive months must be investigated and if required, cancelled/stopped.

Cheques may be unpresented because they have not been banked by the holder or they have been returned, lost, stolen or destroyed.

4.4.3 Missing (lost/stolen) cheques / cash

Lost, stolen or destroyed cheques are to be cancelled/stopped immediately.

Damaged cheques are to be filed and retained by the office/business unit in accordance with the DCP records management guidelines and approved state government disposal schedules.

Where a replacement cheque is required due to a cheque being lost, stolen or damaged, confirmation that the original cheque has been cancelled must be obtained before issuing the replacement cheque.

If a lost/stolen cheque has been cashed, the [missing money and cash equivalents form](#) must be completed and endorsed by the appropriate financial delegate.

Details to be provided on the form include:

- details of the cheque (date, amount, cheque number) / amount of cash lost/stolen
- reasons why the office believes that cheque/cash is lost/stolen
- the circumstances surrounding the incident, including investigations undertaken to locate the cheque/cash and mitigation actions to reduce the risks of reoccurrence
- any relevant supporting documentation (e.g. police report).

The completed form is to be forwarded to DCPPettyCashandAdvanceAccounts@sa.gov.au.

Upon advice from the FSCU, the missing amount will need to be re-couped.



The amount lost/stolen will be added to the Missing Items Register maintained by the FSCU. The CE will review missing money in accordance with [TI 2](#).

4.4.4 Cancelling a cheque (Stop Cheque Request)

A stop cheque request allows you to stop an individual cheque or cheque book that has not been presented.

Where it has been identified that a cheque needs to be cancelled, the office/business unit must issue a stop cheque request with the banking provider.

A Stop Cheque request can be created via the online banking system platform (Payments and Transactions Service Request).

Details to be provided in the request include:

- account number
- stop type (for example, individual cheque or cheque book)
- cheque number (or first and end cheque serial numbers for an entire cheque book)
- cheque amount
- cheque issue date
- payee name

Record any reference details / the date the cheque was cancelled in the cheque book on the appropriate cheque book stump and put a line through it marking it as cancelled, for example:



File and maintain all correspondence for audit purposes.

All details of the cancelled cheque must be recorded on the advance account reconciliation for the month the cheque was cancelled. This will be noted in the unrepresented cheque section of the reconciliation.

NOTE: Bank fees apply for a stop cheque request. Please refer to 4.6 below for further information on bank fees.

4.4.5 Cheque books

Cheque books are automatically issued by the approved banking authority. Each cheque book has a 'trigger point'. When a specific cheque number is presented, the bank is triggered to issue a new cheque book.

All cheque books are forwarded to the FSCU. Upon receipt of a cheque book, FSCU will forward to the appropriate office/business unit.

If you are running low on cheques and a new cheque book hasn't arrived please contact DCPPettyCashandAdvanceAccounts@sa.gov.au as soon as possible to assist. Officers/business units must not request a cheque book from a bank branch unless approved by FSCU.

4.5 Online banking system

An online banking system is used for accessing account statements and transaction reviews for the reconciliation of advance accounts.



To request access to the online banking system or amend existing user access, complete the [user access form](#). Once completed and approved by the appropriate manager, email the completed form to DCPFinancialSystemsandCompliance@sa.gov.au for processing.

Users will be granted view only access to the nominated advance account.

Users are reviewed quarterly to determine ongoing business requirements.

For any password resets please contact DCPFinancialSystemsandCompliance@sa.gov.au.

For further information refer to the [Online Banking System Topic Page](#) on the intranet.

4.6 Bank fees, duties and taxes

Any bank fees (including any duties and taxes) must be paid from DCP's funds.

Bank fees associated with advance accounts will be paid directly from DCP's Operating Account. This has been pre-arranged with the whole of government banking provider and will occur automatically.

4.7 Interest and miscellaneous revenue

Interest associated with advance accounts will be paid directly to the Treasurer. This has been pre-arranged with the whole of government banking provider and will occur automatically.

Interest associated with approved non whole of government approved accounts (for example, where a branch does not operate within a reasonable distance of the DCP regional location requiring an advance account) must be debited into the Operating Account by 30 June each year in accordance with [Receiver of Revenue](#) procedures. In these instances, a cheque from the advance account may be drawn to be debited into the DCP operating Account. Please refer [Receiver Revenue Topic Page](#) for further information.

Miscellaneous revenue must not be deposited into advance accounts (unless approved by the CFO). If revenue is received, it will need to be investigated to determine what it is for and be deposited into the DCP operating account in accordance with the [Receiver of Revenue](#) procedures. In these instances, a cheque from the advance account may be drawn to be debited into the DCP operating account. Please refer to the [Receiver Revenue Topic Page](#) for further information.

4.8 Reconciliation of advance accounts

In accordance with TIs and to control the risk of fraud or errors, each office/business unit is responsible for performing a monthly advance account Reconciliation.

The reconciliation must be completed by the advance account reconciliation officer (preparer) and be independently reviewed and certified by an authorised delegate. The preparer and reviewer must not be the same person.

The advance account reconciliation officer is required to forward a certified advance account reconciliation and associated bank statement to DCPPettyCashandAdvanceAccounts@sa.gov.au by the seventh working day of each month for the prior month.

End of financial year reconciliation requirements for financial accounting and audit purposes must be completed within timeframes advised by FSCU.

Bank statements and supporting documentation are to be filed and retained by the office/business unit in accordance with the DCP records management guidelines and approved state government disposal schedules.



Advance Account reconciliation templates have been developed and are available for use on the DCP Intranet. Refer to the [Advance Accounts Topic page](#) to download the appropriate template for your area.

Please refer to Appendix One for a Reconciliation Checklist to assist in the reconciliation process.

4.8.1 Reconciliation variances identified

Where there are variances identified, these must be resolved in a timely manner to minimise the impact on financial reporting. Variances outstanding for greater than 90 days may be escalated to the director/regional director.

NOTE: It is crucial that staff processing recoups and reconciliations pay a high level of attention to what is being recouped and entered into Basware NG.

Continued errors as a result of incorrect entries / double up of recoups and/or cheques being written may result in further investigation and:

- removal or reduction of advance account funds
- disciplinary action.

For any queries on how to rectify variances please contact FSCU via DCPPettyCashandAdvanceAccounts@sa.gov.au.

4.9 Replenishment of advance accounts

It is the responsibility of the office/business unit holding the advance account to ensure that there are sufficient funds in the account at all times.

Recoups should be prepared on a regular basis by the advance account reconciliation officer and processed in Basware NG.

Officers must ensure that appropriate account codes are used (job cost account codes and/or general ledger account codes).

An advance account recoup is prepared by completing an online payment request (OPR) via Basware NG using the offices/business unit petty cash vendor.

Please refer to the [creating an online payment request \(OPR\)](#) quick reference guide for further information on processing an OPR in Basware NG.

Appropriate supporting documentation must be attached in Basware NG. Supporting documentation includes a payment approval form and tax invoices / receipts.

4.9.1 GST implications on recoups for advance accounts monies

The GST treatment will be determined in accordance with GST legislation requirements, please refer to [GST Topic Page](#) for further information.

NOTE: In exceptional circumstances where a cheque has been approved to be written directly to a client or carer, there are no GST consequences. In these instances, there is no requirement for DCP to hold a tax invoice. Therefore, the TNA GST code must be used.



4.10 Segregation of duties

Managers and business managers are responsible for ensuring there is appropriate segregation of duties between officers approving transactions, processing and recording transactions, performing reconciliations and reviewing and approving reconciliations within their respective offices/business units.

4.11 Misuse of advance accounts

The misuse of an advance account may result in:

- the removal or reduction in advance account funds
- disciplinary action
- repayment of transactions and/or charges
- referral to the South Australia Police
- reporting to the [Office for Public Integrity \(OPI\)](#) where there is reasonable suspicion of corruption. In matters that are reasonably suspected to involve serious misconduct or maladministration in public administration, a report may be made to the OPI or Ombudsman SA.

Suspected misuse of an advance account is to be referred to the Human Resources Directorate, Employee Relations Unit.

Further information can be obtained in the [Fraud and Corruption Control Framework](#).

4.12 Closure of advance accounts

An advance account shall not be closed until:

- all transactions in that account have been completed
- all cheques drawn against that account have been cleared and debited against the account (have been cashed)
- all recoups have been processed and the EFT has been credited against the account
- a reconciliation has been completed to confirm that all monies have been credited and debited into the advance account (for example, if the float total was \$10,000 the advance account closing balance must be \$10,000 with no monies to be recouped and no unrepresented cheques)
- approval has been obtained from the appropriate delegate.

An advance account may only be closed with approval by the appropriate delegate as per the [Financial Authorisation Register](#). A briefing must be prepared detailing the request to close an advance account.

The briefing should include:

- justification as to why the account is no longer required
- the total amount to be returned
- reconciliation to confirm that the total advance account float balance is in the account with no pending unrepresented cheques or un-recouped monies

All requests must be forwarded to the FSCU via DCPPettyCashandAdvanceAccounts@sa.gov.au for review and consultation prior to submitting to the appropriate delegate.

The FSCU, in consultation with the office/business unit is responsible for ensuring that the account is appropriately closed and that appropriate accounting entries are processed to reflect retirement of the advance account.

DTF may direct the CE to close any bank account maintained by DCP and to transfer any balance remaining to an account at a financial institution specified by DTF.



The CFO and officers with specific financial authorisations for creating and removing bank accounts may direct that advance account conditions of use be restricted or that accounts be closed.

5. Compliance, monitoring and evaluation

As part of the Policy Governance Framework, this procedure will be reviewed and updated by Finance and Corporate Services in accordance with the review date shown at 'Document Control'.

6. Related documents

Related documents, forms and templates	
Advance Account Reconciliation Template (refer to the Advance Account intranet page for the appropriate template)	Advance Account Reconciliation Template
Advance Account intranet page	Advance Accounts (cp.sa.gov.au)
Cash Management Policy	Cash Management Policy
Online Banking User Request Form	User Access form
Financial Authorisations Register	Financial Authorisations Register
Financial Management Compliance Framework	Financial Management Compliance Framework
Payment Approval Form	Payment Approval Form
Petty Cash Procedure	Petty Cash Procedure
Petty Cash Recoup and Reconciliation	Petty Cash Intranet Page
Public Finance and Audit Act 1987	Public Finance and Audit Act 1987
Treasurer's Instruction 2, Financial Management (TI 2)	Treasurer's Instruction 2, Financial Management (TI 2)
Treasurer's Instruction 6, Statutory Accounts and Banking (TI 6)	Treasurer's Instruction 6, Statutory Accounts and Banking (TI 6)



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5 May 2023	2.0	Update to Procedure
21 March 2024	2.1	Minor updates primarily due to whole of government banking provider changes



Appendix One – Monthly Reconciliation Checklist

When completing the monthly Advance Account Reconciliation, the following checklist should be followed:

- Download the monthly bank statement from your online banking system account
- Select all relevant Office/Business unit details at the top of the Advance Account reconciliation
- Select the relevant Financial Year and Reconciliation Month
- Enter the opening balance as per the bank statement
- Enter the closing balance as per the bank statement
- Enter the cheque series for the month (the cheques used for the month you are reconciling)
- Reconcile all presented cheques against the bank statement
- List all unpresented cheques (cheques written but not yet withdrawn from the Advance Account)
- List all un-recouped amounts (petty cash recoups and outstanding advance account recoups)
- Both the preparer and reviewer have certified the Advance Account Reconciliation
- Email the Advance Account reconciliation and bank statement to DCPPettycashandadvanceaccounts@sa.gov.au by the 7th working day of the following month.

Client Payment Approval forms and supporting documentation is to be maintained at each office location in accordance with DCP records management guidelines and should be readily available if required.