

TREASURER'S DIRECTIONS

PART 6 - ADMINISTRATION

Section 2 - Legal and Statutory Arrangements

Authorities: *Financial Management Act*

Section

3. Interpretation
13. Duties of Accountable Officers
37. Ex gratia payments

Defined Terms - *Refer to Part 1 Section 2*

- Accountable Officer
- Agency
- employee
- ex gratia payment
- ledger account code
- public money

OVERVIEW

Accountable Officers have a responsibility to ensure that employees comply with any legal or statutory requirements that may affect the financial administration of the Territory or an Agency. Where doubt exists regarding interpretation of legal matters the assistance of the Solicitor for the Northern Territory should be sought.

STATEMENT OF INTENT

6.2.1 This Section provides a framework and minimum control requirements relating to legal and statutory arrangements that may have an impact on the financial management of the Territory and Agencies.

REQUIREMENTS FOR ACCOUNTING AND PROPERTY MANUALS - *Refer Part 3 Section 1*

6.2.2 Accountable Officers are responsible for incorporating in their Agency's accounting and property manual, procedures and appropriate controls relating to:

- recovery of debts affected by the *Statutes of Limitations* and/or the *Bankruptcy Act*;
- retention of financial management records;
- granting of ex gratia payments;
- maintenance of a Register of Ex Gratia Payments; and
- maintenance of a Register of Fees and Charges.

STATUTES OF LIMITATIONS

6.2.3 Accountable Officers shall ensure that relevant *Statutes of Limitations* are observed.

6.2.4 Where there is doubt as to the application of a *Statute of Limitations* the advice of the Solicitor for the Northern Territory shall be sought.

DEBTS OWED TO THE TERRITORY OR AGENCIES UNDER THE *BANKRUPTCY ACT*

6.2.5 To protect and co-ordinate the Territory's interests, no action under the *Bankruptcy Act* shall be initiated by an Agency without the prior approval of Northern Territory Treasury.

6.2.6 If action under the *Bankruptcy Act* has been initiated by another creditor, Agencies shall obtain the approval of Northern Territory Treasury before lodging a proof of debt or assenting to a Deed in relation to that action.

- 6.2.7 Where an Agency receives advice that action under the *Bankruptcy Act* has been entered into or is contemplated in relation to a debtor of the Territory or an Agency, the Accountable Officer shall advise Northern Territory Treasury immediately, providing details of:
- (a) name and business address of the debtor;
 - (b) nature of the debt to the Territory or Agency;
 - (c) amount and period outstanding;
 - (d) date of first meeting of creditors;
 - (e) date by which proof of debt must be lodged;
 - (f) name and business address of the trustee; and
 - (g) any other information considered relevant.
- 6.2.8 Accountable Officers are responsible for ensuring that all requests for information from Northern Territory Treasury with regard to outstanding debts are complied with.

RIGHT OF SET-OFF OF DEBTS

- 6.2.9 Where an Agency receives a demand for payment of a debt from a trustee, in relation to a bankruptcy, under a Deed or under a Sequestration Order, the advice and approval of Northern Territory Treasury shall be sought before payment, to ascertain whether the debtor or bankrupt is indebted to other Agencies in circumstances which would permit a set-off under the *Bankruptcy Act*.

RETENTION OF FINANCIAL MANAGEMENT RECORDS

- 6.2.10 Financial management records and accounts shall be retained in accordance with the *Disposal Schedule for Financial Management Records of the Northern Territory Government*, issued by Northern Territory Archives Service.

EX GRATIA PAYMENTS

- 6.2.11 The Treasurer's approval is required under section 37 of the Act for ex gratia payments of public money.
- 6.2.12 Requests for granting of an ex gratia payment shall be endorsed by the relevant Minister and submitted to Northern Territory Treasury.

6.2.13 Agencies shall maintain a Register of Ex Gratia Payments detailing, at a minimum:

- (a) payee, date and amount of payment;
- (b) reason for payment;
- (c) ledger account code to which the payment was charged; and
- (d) relevant Agency file references.

REGISTER OF FEES AND CHARGES

6.2.14 Agencies shall maintain a Register of Fees and Charges detailing, at a minimum:

- (a) nature and amount of, and authority for any statutory fees; and
- (b) nature, amount and source of approval for any charges.