



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**All Accounting Officers**

**All Chief Financial Officers**

**All Heads of Provincial Treasuries**

**All Provincial Accountants-General**

## **OFFICE OF THE ACCOUNTANT-GENERAL PRACTICE NOTE 3 OF 2006/07**

### **ILLEGAL DEPARTMENTAL BANK ACCOUNTS**

#### **1. Purpose**

The purpose of this practice note is to provide a policy framework for the opening of an external bank account in accordance with the Treasury Regulations.

#### **2. Background**

- 2.1 The Public Finance Management Act, 1 of 1999 (PFMA) requires a department, public entity or a constitutional institution to open a bank account only with a bank registered in South Africa with the written approval of the National Treasury.
- 2.2 In terms of Treasury Regulation 15.10.3.1, departments may not open bank accounts without written approval of the relevant treasury. The Regulation further states that only bank accounts approved after 1 April 2001 shall be considered as being valid.
- 2.3 Despite the aforementioned Treasury Regulation, it has come to light that departments are still operating bank accounts that have not been approved by the relevant treasury. It would appear that some departments are transferring funds to these unauthorised bank accounts to circumvent the PFMA and Treasury Regulation requirements that unspent funds or money received be deposited into the relevant Revenue Fund.

#### **3. Regular reports of bank accounts**

- 3.1 The Accounting Officer of a department must provide a list of all its bank accounts as at 31 March of each year by no later than the last working date of April of the same year.
- 3.2 The report referred to in 3.1 above in respect of 31 March 2006 must be submitted to the National Treasury, Office of the Accountant-General, by no later than 31 August 2006.

- 3.3 The report must provide the following details:-
- The name of the banking institution where the account is held;
  - The date when it was opened;
  - The account number;
  - The purposes for which the account is held; and
  - The date of the relevant Treasury's approval.

The above detail will be verified against the existing list of bank accounts maintained by the National Treasury.

#### **4. Policy**

- 4.1 This practice note therefore serves to inform stakeholders that:
- Departments may not operate bank accounts that have not been approved by the relevant treasury and only bank accounts approved after 1 April 2001 shall be regarded as valid, as per Treasury Regulation 15.10.3.1; and
  - Departments with unauthorised bank accounts must close these accounts immediately and must refrain from depositing unspent funds and/or money received into any account other than the approved deposit account and ultimately into the relevant Revenue Fund.

#### **5. Auditor-General**

- 5.1 This practice note will be brought to the attention of the Auditor-General for inclusion in their audit scope.
- 5.2 The National Treasury may request the Auditor-General to conduct special investigations on any matter dealt with in this practice note.

#### **6. Effective date**

- 6.1 This practice note applies to all National and Provincial Departments and Public Entities (including Constitutional Institutions) and takes effect immediately.

S F Nomvalo  
**Accountant-General: National Treasury**  
Date: