

# Financial Management Policy

Version number	1
Approved by	Corporate Governance Board
Date of approval	13/11/2017

## Purpose

Prudent, rigorous and responsible financial management is a key component of Sydney Institute of Higher Education (SI)'s higher education operations. Effective financial management and strict financial controls will ensure that SI is operating sustainably, enabling the SI to operate to the highest of educational standards.

The *Financial Management Policy* will outline the intelligent, sound and responsible financial management processes at SI that ensure the SI's operational sustainability. The policy will outline the staff responsibilities in financial management, the potential risks to sound financial management, and the processes for financial management review at the SI.

## Scope

This policy applies to all of SI's staff involved in financial management processes at the SI.

## Principles

All financial management processes at SI will be:

- Designed to maintain the financial capacity, capability, and trajectory of SI.
- Transparent and visible
- Designed to be cost-effective
- Designed in line with SI's mission, values and overarching financial and strategic direction
- Reflective of the needs of SI's community and stakeholders
- Designed and implemented ethically.

Ensuring sound financial management processes is essential to complying with Australian legal and regulatory requirements, including the *Higher Education Standards Framework 2015*.

SI is committed to displaying integrity and transparency throughout all of its financial management processes. Integrity and transparency will not only assist SI in adhering to its legislative requirements, but will also ensure the SI is operating ethically and responsibly.

# Procedures

## ***Budgeting***

The *Corporate Governance Board* in collaboration with the Finance Manager will oversee the budget. The *Corporate Governance Board* and the Finance Manager will conduct an annual budget planning session which will assess SI's projected expenditure against its projected financial performance.

The budget will be developed to support and align with SI's strategic objectives and goals. The *Corporate Governance Board* and Finance Manager will specifically develop the budget in line with SI's current strategies and performance objectives outlined in the SI's *Business Plan* and *Strategic Plan*.

The following information, at minimum, will be taken into account by the *Corporate Governance Board* in the process of establishing the budget:

- Current advice and evidence from the Finance Manager
- Consideration of the overall objectives of SI as described in *Strategic Plan* and *Business Plan*
- Intended enrolment targets
- Workforce needs
- Projected revenue
- Fixed expenses
- Projected variable expenses
- Projected cash flow.

All SI staff members involved in financial decision-making must act in line with the budget.

Adjustments to the budget may be made with approval from the appropriate level of authority (see *Delegations Register*).

## ***Business Planning***

Business planning is integral to financial management at SI as it establishes the strategic objectives, risks to financial standing, and projected incomes and expenses for a specified period.

See the *Corporate Governance Policy* and *Strategic Plan*, *Business Continuity Plan*, *Workforce Plan*, and *Business Plan* for more information.

## ***Risk Management***

SI shall implement robust and comprehensive processes and systems that ensure financial risks are mitigated. Financial risks will be mitigated by:

- The monitoring of risks
- The effective delegation of risk responsibility
- Effective staff training
- Annual Audits

For more information on risk management please refer to SI's *Risk Management Policy* and *Business Continuity Plan*.

**Staff qualifications**

SI will only allow appropriately qualified staff to manage financial matters.

*Corporate Governance Board* members must have expertise in sound financial management and fraud and corruption prevention.

External experts on financial matters will be engaged to provide advice to the *Corporate Governance Board*.

A framework of delegations of authority will be implemented within SI to ensure that staff members with the appropriate seniority handle purchases.

Training, support, and professional development will be offered to all staff members. Those involved in financial decision-making will be provided with specific financial management training and support.

**Legal Compliance**

SI will ensure that all financial management processes are in line with the SI's legislative requirements. Any instances of financial deception or fraud will be safeguarded against, and any staff members who have engaged in such activities will be subject to disciplinary measures as per the *Anti-Fraud and Corruption Policy*.

See *Compliance Framework Policy* for details on how SI will maintain compliance with relevant laws and regulations.

**Monitoring**

SI engages in ongoing monitoring of its financial position to ensure that it picks up on emerging risks and new information, and prevents fraud and corruption.

Reports generated from monitoring activities will be taken into consideration in business planning processes.

**Financial review and reporting**

At the end of each year, the budget is reviewed. Reports generated from this review will be taken into consideration in budgeting processes for the following year.

The review takes into account, at minimum:

- Projected/budgeted figures
- Actual figures
- Fixed expenses
- Estimated variable expenses
- Revenue
- All wage and salary expenditures
- Income and expenditure statements from previous year
- All profit and loss statements from previous year
- All most recent balance sheets

- All most recent aged creditors and debtors reports
- A record of all financial transactions during previous 12 months

A financial report will be compiled in line with Australian accounting standards.

### ***Auditing***

SI shall employ an independent Auditor to conduct annual financial reports. The reports will evaluate SI's financial statements to determine the SI's financial stability and sustainability, as well as the accuracy of SI's financial statements. Furthermore external audits will ensure that SI's financial management processes meet Australian accounting standards. The audit will ensure that all financial risks are externally evaluated, enabling SI to implement mitigation processes where necessary.

### ***Business Continuity***

SI will maintain and update a comprehensive *Business Continuity Plan* which outlines how the SI will maintain its operations if risks or threats do eventuate. Furthermore, SI will ensure there are financial and tuition safeguards by purchasing insurance. SI will purchase:

- Professional Indemnity Insurance
- Public Liability Insurance
- Tuition Assurance Insurance
- Workers' Compensation Insurance.

For more information please refer to SI's current *Business Continuity Plan*, *Business Plan*, and *Risk Management Policy*.

### ***Delegations of Authority***

As per the *Delegations Register*, any transaction over \$10,000 must be signed by two staff members.

### ***Clear reporting and investigation processes***

In the event that financial mismanagement occurs, staff members must be able to comfortably report the incident to SI, and the appropriate investigation procedures must be followed. For more information see the *Anti-Fraud and Corruption Policy*.

### ***Documentation***

All delegations of authority must keep detailed records of financial processes and provide periodic reports through the reporting line. Reports must account for all spending, including the rationale for spending.

Documentation is used for monitoring, business planning, and auditing as appropriate.

## **Policy Implementation and Monitoring**

The *Corporate Governance Board* delegates responsibility for the day-to-day implementation of this policy to the Finance Manager.

The *Corporate Governance Board* will review all periodic reports from relevant committees and staff members.

Additionally, the *Corporate Governance Board* will review all relevant student complaints, concerns raised by staff members, and instances of student or staff misconduct on an ongoing basis.

The *Corporate Governance Board* and ensure that findings from these monitoring activities are taken into account in planning, quality assurance and improvement processes.

## Definitions

**Business Plan:** a document detailing how SI will reach its financial goals in order to achieve its overall strategic and academic goals.

**Business Continuity Plan:** a document produced by SI that identifies threats and risks SI faces. The *Business Continuity Plan* provides risk mitigation strategies and recovery plans to protect SI's personnel and assets in the event that key operations are disrupted.

**Corporate Governance Board:** the governing body responsible for oversight of all higher education operations, including the ongoing viability of the institution and the quality of its higher education delivery. The *Corporate Governance Board* guides Management and delegates responsibility for academic matters to the *Academic Board*.

**Risk:** the threat of uncertainty over the achievement of objectives.

**Risk Management:** Coordinated activities across SI which monitor and respond to risks so to minimise their potential harm in the case they eventuate.

## Review schedule

This policy will be reviewed by the *Corporate Governance Board* every three years.

Version History				
Version number:	Approved by:	Approval date:	Revision notes:	Next review date:
1	Corporate Governance Board	13/11/2017	Adopted	13/11/2020

▲ Related Documents	
<a href="#">↗</a>	<a href="#">Anti-Fraud and Corruption Policy</a>
<a href="#">↗</a>	<a href="#">Compliance Framework Policy</a>
<a href="#">↗</a>	<a href="#">Corporate Governance Policy</a>
<a href="#">↗</a>	<a href="#">Risk Management Policy</a>

---

<a href="#">↗ Delegations Register</a>
<a href="#">↗ Business Continuity Plan</a>
<a href="#">↗ Business Plan</a>
<a href="#">↗ Strategic Plan</a>
<a href="#">↗ Workforce Plan</a>
<a href="#">↗ Finance Manager</a>

End of document: "Financial Management Policy"

Document ID: 8599, Revision No : (10), Created : January 6, 2020 11:48 am, By : Nigel Finch, Last updated : July 17, 2020 2:19 pm, Reviewed & Approved by : Nigel, On : January 1, 1970, Next Review by : Nigel, Review Scheduled For : January 1, 1970

Produced & Printed : Thursday 10th of September 2020 03:06:45 AM "Sydney Institute of Higher Education ABN 49 618 742 813 TEQSA PRV14323 CRICOS 03866C"

---