

Financial Management Policy and Procedure

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Purpose

This Policy and Procedure clarifies accountabilities and processes that have been developed to contribute to the prudent financial management of the Australian Institute of Future Education (AIFE).

Scope

This Policy and Procedure applies to:

- All AIFE staff (full-time, part-time, casual), and
- All financial management activities at AIFE.

Policy

Policy Statement

Providing adequate financial and non-financial resources are critical to:

- Attaining and maintaining financial viability in accordance with the requirements of the *Higher Education Standards Framework (Threshold Standards) 2021*, and
- Sustaining a high quality educational experience and outcome for students.

Therefore, AIFE will implement processes for the effective oversight of the financial aspects of AIFE's operations.

Financial operations will be managed by AIFE in such ways as to:

- Deliver consistent financial performance
- Demonstrate prudence in the conduct of its financial affairs
- Maintain sufficient levels of liquidity and investment to support key academic functions, and
- Anticipate, and respond to, key sector drivers and trends which may affect AIFE's operations.

Principles

The following principles will guide AIFE in prudent financial management:

Authorisations

- No funds of AIFE can be committed or expended except by approval of the delegate as specified in the Schedule of Delegations within AIFE's *Delegations Policy and Schedule*.
- Where a financial delegate has a direct or personal interest in a transaction, neither the delegate, nor any other delegate who reports to him or her, can approve that transaction. The interest should be reported to the immediate supervisor of the financial delegate and recorded appropriately.

Use of AIFE funds

- Funds of AIFE must only be expended on goods and/or services for purposes that are directly related to AIFE. Funds from external sources tied to purposes, such as loans or contributions from other related entities to AIFE, must be used only for the specified purposes.

Ownership of AIFE property

- All items purchased using AIFE's funds will be the property of AIFE, unless there is an agreement in writing to the contrary.
- Where there is a tangible output from a service purchased with AIFE's funds, such as a report, that output is the property of AIFE, unless there is an agreement in writing to the contrary at the time the service was engaged.

Care and use of AIFE property

- All users of AIFE's property must:
 - Treat AIFE's property with care and consideration, in accordance with accepted legal and ethical standards
 - Use AIFE's property for the purposes directly related to AIFE only, and in accordance with safe work practices and any relevant AIFE procedures
 - Ensure AIFE's property is appropriately secured from damage, theft, or misappropriation.

Financial records

- All financial transactions must be properly documented and accurately recorded in a timely manner and in accordance with the relevant policies and procedures.
- Under the *Criminal Code Act 1995 (Cth)*, it is an offence to falsify accounting documents (including altering, concealing, or destroying financial records or failure to make or amend an accounting document) either intentionally or unintentionally, to facilitate or disguise illegitimate financial transactions – penalties may apply.
- All financial transactions must be properly documented and accurately recorded in a timely manner, in accordance with AIFE's *Records Management Policy and Procedure*.

Integrity

- All AIFE staff are expected to act in an ethical and honest manner in all aspects of procurement and financial expenditure involving AIFE funds.

Compliance

- All AIFE staff are required to comply with this Policy and Procedure and related policies, procedures and plans. Failure to do so may result in disciplinary action in accordance with the *Human Resources Management Policy and Procedure*.

Procedure

Business Planning and Budgeting

In order to ensure financial viability and to satisfy regulatory requirements that AIFE's financial position, financial performance and cash flows are monitored regularly and understood, AIFE will engage in comprehensive planning, review and assurance activities that considers AIFE's:

- Ability to continue to operate sustainably in the future
- Ability to maintain adequate staffing levels and academic leadership in order to support academic quality and integrity;
- Capacity to invest in sufficient facilities and infrastructure (physical assets and information communication technology) to support the student learning experience
- Capacity to provide adequate support services to students, and
- Business continuity plans and financial and tuition safeguards in the event of disruption or discontinuation of operation.

The Board of Directors will approve the annual budget for AIFE, and once these are approved, the Board of Directors monitors AIFE's financial performance on a quarterly basis as a component of ongoing business planning.

Ongoing business planning will be undertaken at AIFE to support its day-to-day operations, which will be mapped over a five-year period in AIFE's Business Plan. The CEO will prepare a quarterly financial status report for review and assessment by the Board of Directors, or its nominated delegate to assist the Board of Directors and AIFE to remain compliant with relevant regulations.

The quarterly financial status report will include the following:

- An analysis of actual operational performance against the financial forecasts provided within the Business Plan
- Explanations of any significant variances from the financial forecasts and the effect this will have on the operations of AIFE, and
- Explanations of any remedial action that has been, or will be, undertaken to achieve the financial forecasts and/or maintain AIFE's financial viability.

Annual Financial Statements

Annual Financial Statements will be prepared in accordance with Australian Accounting Standards, and will be independently audited by an appropriately qualified auditor.

- Regular internal and external audit cycles
- Training relevant staff to identify and assess early warning signs of fraud and corrupt conduct and respond appropriately
- Ongoing monitoring of financial activity, e.g. analysis of invoice numbers and bank account numbers to detect patterns that might indicate fraud or irregular behaviour.

The Board of Directors endorses AIFE's financial statements and provides them to the Tertiary Education Quality and Standards Agency (TEQSA):

- For each annual financial reporting period
- In a form approved by TEQSA
- With a statement by an independent, qualified auditor, and
- Within six months of the end of the annual financial reporting period

Authority Delegation Schedule

This Policy and Procedure must be read in conjunction with AIFE's *Shareholder Framework and Delegations Policy and Schedule*. The Financial Delegations in the Schedule of Delegations within the *Delegations Policy and Schedule* cover expenditure and revenue transactions, capital expenditure, execution of contracts, investment activity, general journal transactions, authority to sign cheques and other banking transactions and write-off or disposal of debts.

Responsibilities

All AIFE staff must:

- Ensure all financial transactions are properly recorded, and
- Take responsibility for the appropriate use of AIFE funds and resources, which are only to be used for AIFE business purposes.

The CEO and financial support staff are responsible for:

- Administration of the financial accounts in order that records are compliant with this policy, accurate, secure and complete and are available for audit or inspection for a minimum period of seven years
- Maintaining AIFE's accounting and financial management information system
- Maintaining an asset management system that tracks acquisitions, disposals and transfers of AIFE's assets
- Receiving course fees and distributing these in accordance with AIFE's policies
- Ensuring funds are held in a secure location and regularly placed into appropriate bank accounts
- Managing AIFE's cash flow to ensure funds are available to support day-to-day operational requirements, and
- Actioning, recording and reporting of AIFE's taxation liabilities/benefits in accordance with legal, statutory and audit requirements, accounting standards and generally accepted accounting principles.

The Board of Directors oversees financial management, planning and decision-making in relation to higher education.

Definitions

For the purposes of this Policy and Procedure, the following terms are defined as follows:

Financial records	Are all general records, accounting books, documents, securities and records of expenditure and receipts.
Financial viability	Is the requisite assets and resources available to deliver registered qualifications as per the <i>Higher Education Standards Framework (Threshold Standards) 2021</i> .

Version history

Version #	Changes	Approval Body	Approval Date
1.0	New policy	Board of Directors	15 December 2021

Additional Information

Policy Status	Approved
Policy Owner	CEO
Next Review Date	3 years from Approval Date
Related Internal Documents	Delegations Policy and Schedule Human Resources Management Policy and Procedure Records Management Policy and Procedure Shareholder Framework
Higher Education Standards Framework (Threshold Standards) 2022	Standards 6.2.1c and 6.2.1d
Other legislative or regulatory instruments	Criminal Code Act 1995

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