FINANCIAL MONITORING AND CONTROL POLICY

Section	Finance
Contact	Chief Financial Officer
Last Review	February 2021
Next Review	February 2024
Approval	C19/167

Purpose:

The purpose of this policy is to provide assurance to the University Council and Senior Leadership Team (SLT) that responsibility for financial performance and stewardship of its assets is clearly defined.

For clarity purposes, each of the University subsidiaries are governed by their respective board of directors who are responsible for developing and implementing the policies and controls in their respective entities; therefore, are excluded from the scope of this policy document.

Definitions:

Activity: Internal financial reporting splits University operations into five activity types. The three income generating

The two non-

Annual Budget: Annual financial statements budget approved by the University Council

Budget Centre: Cost/Profit centre
a unique three-digit numerical code (e.g. 123). Budget centres normally have income and expense budgets allocated to them and accumulates actual income and expenses against those budgets during a financial year.

Reporting Line: A Reporting Line in the context of this policy, consists of one or more budget centres and is led by an SLT member. Budgets are allocated annually by SLT to the Reporting Lines which are further sub-allocated to the budget centres within that Reporting Line at the discretion of the respective SLT member.

Budget Centre Manager: The Budget Centre Manager is a University employee with delegated financial authority to make financial commitments for the budget centre. Other staff with sub delegations for a budget centre are not budget centre managers.

Contribution: The bottom line on the budget centre financial reports, calculated as budget centre income less expenses. For non-income generating activities

Margin: For core activities, the margin is contribution as a percent of income from that activity e.g. $20 contribution from $100 income is a 20% margin. For support services and strategic initiatives, the margin is the net cost of the activity as a percent of University core income e.g. in a university generating $500 of core income, a support service with a net cost of $5 has a margin of 1%.

Materiality: An item can be material if it has a significant financial impact on the financial performance of the budget centre. Professional judgement is required in assessing material items but as a guide 5% of the budget centre total cost or revenue budget or $ 100,000 whichever is lower might be considered material.

Other examples of items that may be materially important and should be included in reports include contract disputes, overdue debtors, receiverships, breach of legislation, onerous contracts, non-performance of contract and potential for University reputational damage.

Risk Management

Ten Year Capital Plan (TYCP): Rolling ten-year capital plan approved by the University Council annually in December.

Policy:

Overview

The SLT will make recommendation to the University Council, for approval, an annual budget each year after considering the Consolidated University Plan, TYCP, investment plan (renewed every 2 to 3 years), strategy and financial goals of the University. This will provide the framework for managing the University finances including meeting financial performance targets, effective balance sheet management and ensuring treasury, cash flow commitments are met.

The annual budget process is initiated through an annual budget policy statement
that outlines the high-level economic considerations that will impact the budget.

Financial targets will be approved by the SLT based on the budget policy statement, University strategy, agreed surplus/deficit requirements and the investment and financial sustainability goals.

The annual planning and investment plan processes will identify how the strategic goals of the University will be met, including achievement of the financial targets.

Budget Centre Managers will prepare budgets for the budget centre, including any projects within the budget centre, following the planning process guidelines so the financial implications from the planning round are identified within the financial plans.

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