



**BARTON
BUSINESS
SCHOOL**

Financial Management Policy

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1. PURPOSE

This policy aims to ensure that all resources of Barton Business School ("BBS") are used appropriately.

It also aims to ensure that:

- a. material errors, omissions, or irregularities do not exist in BBS's financial reports;
- b. controls are in place, documented, and working to (i) ensure effective and efficient use of BBS's resources, and (ii) prevent, detect, and rectify misuse of BBS's resources.

This policy complies with the *Higher Education Standards Framework (Threshold Standards) 2021* in the *Tertiary Education Quality and Standards Agency Act 2011* by the Commonwealth of Australia, specifically Standard 6.2.

2. SCOPE

This policy applies to all BBS Board members, Committee members, staff, and contractors.

It also applies to all BBS resources.

3. DEFINITIONS

Refer to BBS's *Glossary of Terms*.

4. POLICY

- a. An independent auditor must audit the Financial Statements of BBS according to the auditor independence requirements of the Corporations Act 2001 and the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code).
- b. All Board members, Committee members, and staff must observe the highest standards of integrity in financial affairs.
- c. All Board members, Committee members, and staff must comply with appropriate financial management rules and legislative requirements.
- d. At all times, all Board members, Committee members, and staff must act in the best interests of BBS.
- e. All staff must act within their approved financial delegation.
- f. All staff must act ethically and honestly in all aspects relating to BBS procurement and financial expenditures.
- g. Staff directly responsible for financial transactions, such as ordering goods and services on behalf of BBS, must comply with BBS's policies and procedures and applicable legislation.

- h. All Board members, Committee members, and staff must maintain a strict separation between work-related and private financial matters. They must not influence purchasing decisions in which they have a private interest. Any conflicts of interest must be handled following BBS's Conflict of Interest Policy.
- i. All Board members, Committee members, and staff must not misuse BBS's resources or their position.
- j. All Board members, Committee members, and staff must not use opportunities for private gain or to compete with BBS's interests.
- k. All items purchased using BBS's funds are the property of BBS.
- l. All Board members, Committee members, and staff must use BBS's assets for appropriate purposes, properly maintain them, and take reasonable precautions against their theft.
- m. BBS's credit cards may be issued from time to time by the Chief Executive Officer ("CEO") and other BBS staff for BBS's business purposes only and per BBS's policies and procedures.
- n. All financial transactions must be recorded accurately, completely, and promptly according to the relevant BBS procedures.

4.1. INTERNAL FINANCIAL CONTROLS

BBS maintains robust internal financial controls to ensure the safeguarding of its financial resources, mitigate risks, and ensure compliance with legislative and regulatory standards. These controls include:

CASH MANAGEMENT CONTROLS:

- a. BBS does not accept cash payments. All payments must be made directly to BBS's company bank account via approved methods, including online transfer, direct deposit, or other traceable means.
- b. This policy ensures all transactions are secure, auditable, and compliant with financial regulations.

BANKING CONTROLS:

- a. The CEO and two directors are authorised to operate the bank account.
- b. Dual authorisation is required for transactions exceeding \$15,000. For transactions between \$5,000 and \$15,000, single authorisation by the CEO is permitted but must be included in the financial report for Board review.
- c. All transactions are reconciled monthly by an authorised person (e.g., bookkeeper, accountant, or Finance Manager) and reviewed by the CEO

PAYMENTS AND RECEIPTS MANAGEMENT:

- a. All payments require valid supporting documentation, such as an invoice, approved by an authorised individual per the Delegation Register.
- b. Receipts for student payments are issued and reconciled weekly against enrolment records.
- c. Refunds are processed following the Student Fees and Refund Policy and Procedure, reviewed by the Finance Manager to ensure compliance.

PROCUREMENT PROCEDURES:

- a. Vendor selection includes a due diligence process with price benchmarking and reference checks.
- b. Records of purchases are maintained and audited annually.

4.2. RISK IDENTIFICATION AND MITIGATION

BBS adopts a proactive approach to financial risk management by identifying and addressing key risks. Specific risks and their mitigation strategies include:

1. **Revenue Volatility:**
 - a. Risk: Fluctuations in fee-paying student numbers may impact revenue streams.
 - b. Mitigation:
 - Maintain a financial reserve equivalent to 3 months of operational expenses.
 - Monitor student enrolment trends monthly to adjust forecasts.
2. **Fraud and Misappropriation:**
 - a. Risk: Unauthorised access to financial systems or misuse of funds.
 - b. Mitigation:
 - Enforce segregation of duties for financial processes.
 - Conduct quarterly internal audits to identify irregularities.
3. **Uncollected Receivables:**
 - a. Risk: Delayed or non-payment of fees by students.
 - b. Mitigation:
 - Implement a debt recovery process, including periodic reminders and direct engagement with defaulting students.
 - Require upfront payment for non-FEE-HELP students wherever possible.
4. **Non-compliance with Financial Regulations:**
 - a. Risk: Breach of accounting or regulatory requirements.
 - b. Mitigation:
 - Ensure compliance with Australian Accounting Standards.
 - Provide annual training on regulatory compliance for finance staff.
5. **Overspending:**
 - a. Risk: Expenditure exceeding budget allocations.
 - b. Mitigation:
 - Conduct regular budget reviews with the Finance Manager and CEO.

5. EXPENDITURE APPROVAL PROCESS

5.1. OPERATING EXPENDITURE

- a. The Dean is authorised to approve operating expenditures up to \$5000, provided these expenditures are within the approved annual budget.
- b. The Administration and HR Manager is authorised to approve operating expenditures above \$5,000 and up to \$10,000, provided these expenditures are within the approved annual budget.
- c. The Finance Manager is authorised to approve operating expenditures up to \$10,000, provided these expenditures are within the approved annual budget.
- d. The CEO is authorised to approve operating expenditure items above \$10,000, provided these expenditures are within the approved annual budget.
- e. The Dean is authorised to approve unbudgeted operating expenditures up to \$1,000.
- f. The Finance Manager is authorised to approve unbudgeted operating expenditures above \$1,000 and up to \$5,000.
- g. The CEO is authorised to approve unbudgeted operating expenditures above \$5,000 and up to \$20,000.
- h. The BoD must approve unbudgeted operating expenditures above \$20,000.

The following table summarises how operating expenditures must be approved within BBS:

Responsible Person/Entity	Range of Approval	Condition
Dean	Up to \$5,000	d. Provided expenditure within approved annual budget
	e. Up to \$1,000	f. Unbudgeted expenditure
Administration and HR Manager	g. Above \$5,000 and up to \$10,000	h. Provided expenditure within approved annual budget
	i. Above \$1,000 and up to \$5,000	j. Unbudgeted expenditure
Finance Manager	Up to \$10,000	k. Provided expenditure within approved annual budget
	l. Above \$1,000 and up to \$5,000	m. Unbudgeted expenditure
Chief Executive Officer	n. Above \$10,000	o. Provided expenditure within approved annual budget
	p. Above \$5,000 and up to \$20,000	q. Unbudgeted expenditure
Board of Directors	r. Above \$20,000	s. Unbudgeted expenditure

5.2. CAPITAL EXPENDITURE

- a. The Dean is authorised to approve budgeted capital expenditure per single item up to \$5,000, provided these expenditures are within the approved yearly budget.

- b. The Finance Manager is authorised to approve budgeted capital expenditure per single item up to \$10,000, provided these expenditures are within the approved yearly budget.
- c. The CEO is authorised to approve budgeted capital expenditure per single item above \$10,000, provided these expenditures are within the approved yearly budget.
- d. The Finance Manager is authorised to approve all unbudgeted capital expenditures above \$1,000 and up to \$5,000.
- e. The CEO is authorised to approve unbudgeted capital expenditures above \$5,000 and up to \$10,000.
- f. The BoD must approve all unbudgeted capital expenditures above \$10,000.

The following table summarises how capital expenditures must be approved within BBS:

Responsible Person/Entity	Range of Approval	Condition
Dean	t. Per single item up to \$5,000	u. Provided expenditure within approved annual budget
Finance Manager	v. Per single item up to \$10,000	w. Provided expenditure within approved annual budget
	x. Above \$1,000 and up to \$5,000	y. Unbudgeted expenditure
Chief Executive Officer	z. Above \$10,000	aa. Provided expenditure within approved annual budget
	bb. Above \$5,000 and up to \$10,000	cc. Unbudgeted expenditure
Board of Directors	dd. Above \$10,000	ee. Unbudgeted expenditure

5.3. ADDITIONAL CONTROLS

- a. All responsible staff must ensure that expenditures are distributed throughout the year, avoiding disproportionate spending in any one period.
- b. All responsible staff will be held accountable for adhering to this expenditure approval process and ensuring that all expenditures are necessary, justified, and within the approved budget.
- c. Failure to comply with the expenditure approval process may result in disciplinary action, including but not limited to the revocation of expenditure approval authority.
- d. Before committing to any expenditure, staff members must obtain written approval. "Written approval" includes approval via email, approval via BBS policy, or a petty cash voucher, quotation, or contract signed by an authorised individual.
- e. During interactions with students, staff must refrain from committing to any expenditure, verbally or in writing, without obtaining prior appropriate approval from an authorised individual.
- f. This expenditure approval process also applies to staff reimbursements. Therefore, staff must obtain appropriate approval before undertaking any activity for which they will seek reimbursement from BBS.

- g. Only personnel authorised to operate BBS bank accounts are authorised to approve payments.
- h. Any emergency approvals made in exceptional circumstances when authorised staff are unavailable must be ratified by the Board of Directors.

5.4. ENHANCED EXPENDITURE CONTROLS

- a. Emergency expenditures above \$5,000 must receive provisional approval from the CEO or Finance Manager, followed by ratification at the next Board meeting.
- b. Monthly expenditure reports are submitted to the CEO, highlighting variances and justifications for deviations.
- c. Unbudgeted expenditure requests include a cost-benefit analysis, prepared by the requesting department and reviewed by the Finance Manager.

6. ROLES AND RESPONSIBILITIES

- a. The CEO must present interim financial reports, including operational and cash budgets, to each Board of Directors ("BoD") meeting.
- b. The BoD must assess the financial position of BBS on an ongoing basis and estimate the cash requirements for the coming year.
- c. The CEO must ensure internal controls are implemented that promote adequate safeguarding of BBS's resources.
- d. As soon as possible, the CEO must report to a BoD meeting any material financial internal control vulnerabilities and breaches of internal financial controls.
- e. The CEO must ensure that none of BBS's resources are committed or expended except by approval of a BBS staff member with documented authority as per the Delegation Register.
- f. BBS resources must only be expended on goods and services for BBS purposes.
- g. The BoD must ensure upward communications channels are open through all levels of management, set the expectations of internal control, and evaluate management's success in monitoring the internal-control environment and executing appropriate policies and procedures.
- h. BBS staff with delegated authority must establish, maintain, and support a system of internal controls within their work areas and create an environment that encourages compliance with BBS's policies and procedures.
- i. BBS staff with delegated authority must establish, maintain, and support a system of internal controls within their work areas and create an environment that encourages compliance with BBS's policies and procedures.
- j. The Finance Manager, bookkeeper, or accountant must perform monthly reconciliations of BBS's financial accounts, ensuring accuracy and completeness. Reconciliations must be reviewed and signed off by the CEO.
- k. The Finance Manager must prepare quarterly financial risk reports for the CEO and Board, detailing identified risks, mitigation measures, and emerging concerns.
- l. A rolling 12-month cash flow forecast must be maintained and updated monthly by the Finance Manager to support strategic decision-making.

- m. Internal financial audits must be conducted twice annually, with findings reviewed by the Board.
External audits are conducted annually by an independent ASIC-registered auditor, who reviews all financial records for compliance and accuracy.
- n. Any breaches of financial controls must be reported to the Board within seven days, with corrective actions outlined and tracked for resolution.

7. BREACHES AND COMPLAINTS

BBS will apply its disciplinary procedures against all BBS Board members, Committee members, staff, and contractors who breach this policy.

Material non-compliance with this policy must be reported to the CEO.

All complaints concerning financial management, refund requests, or fees must be addressed under this policy and other relevant policies, procedures, and legislation.

8. VERSION CONTROL

Document title	Financial Management Policy	
Approved By	The Board of Directors (BoD)	
Date of Review	This document must be reviewed every two years at a minimum from the date of final approval.	
Related Documents	<ul style="list-style-type: none"> • Conflict of Interest Policy • Critical Incident Policy and Procedures • Delegations Policy • Records Management Policy • Risk Management Policy and Framework with Risk Register • Staff Code of Conduct • Strategic Plan • Workforce Plan • Terms of Reference - Board of Directors 	
Related Legislation and References	<ul style="list-style-type: none"> • Higher Education Standards Framework – (Threshold Standards) 2021 • Tertiary Education Quality and Standards Agency (TEQSA) Act 2011 	
Version	Notes	Date Approved
1.0	<ul style="list-style-type: none"> • Document approved subject to minor change in Section 6 Breaches and Complaints – to include the Board and committee members to ensure consistency with Section 2 Scope. 	10/01/2023
2.0	<ul style="list-style-type: none"> • Addition of Expenditure Approval Process in the policy 	27/05/2024
2.1	<ul style="list-style-type: none"> • Addition of additional internal financial controls, risk identification and mitigations and expansion of roles and responsibilities in the policy 	09/12/2024