

# Financial Management Policy and Procedure

## Associated Information

Approving GBy	Governing Board (GB)
Date approved	27 Feb 2025
Date of effect	Commencement of operation
Next scheduled review	Two years from when policy commences
Policy owner	Chief Executive Officer (CEO)
Policy contact	Chief Executive Officer (CEO)
Related Documents	<a href="#">Delegations Policy and Schedule</a> <a href="#">Fraud Prevention Policy and Procedure</a> Zenith Governance Framework <a href="#">Human Resource Management Policy and Procedure</a> Zenith's Institutional Plans – Strategic, Business, Workforce and Marketing <a href="#">Records and Data Management Policy and Procedure</a> <a href="#">ICT and Cybersecurity Management Policy and Procedure</a>
Related Legislative and Regulatory Instruments	HESF Standards 6.2.1c and 6.2.1d

## Purpose

1. **Zenith Innovation Institute (Zenith/ the Institute)** provides financial and non-financial resources to achieve and sustain high quality educational experiences and outcomes in accordance with the requirements of the *Higher Education Standards Framework (Threshold Standards) 2021*. This Policy provides relevant information on financial management at the Institute.

## Scope

2. This Policy applies to:
  - (a) all departments and staff of Zenith and
  - (b) all financial management and related activities at the Institute.

## Policy

### Principles

3. Zenith implements processes for effective oversight of the financial aspects of its operations to ensure it remains financially viable and sustainable.

As the corporate governing body of the higher education operations of the Institute, and in line with provisions in Zenith's governance instruments, the Governing Board (GB) oversees financial management, planning and decision-making in relation to higher education.

4. The Chief Executive Officer (CEO) oversees operational implementation of the approved budget, and financial and resources management in line with operational priorities.
5. All staff employed at the Institute must ensure that all financial transactions are properly recorded, stored and accessible only by authorised personnel.
6. All staff must take responsibility for the appropriate use of Institute funds and resources, which are only to be used for the Institute's educational purposes.
7. The Institute will manage financial operations in such ways as to:
  - (a) deliver consistent financial performance
  - (b) demonstrate prudence in the conduct of its financial affairs
  - (c) maintain sufficient levels of liquidity and investment to support all academic functions and
  - (d) continuously monitor, anticipate, and respond to, key sector drivers and trends which may affect the Institute's operations including self-assuring financial management risks at Zenith.
8. The Institute will establish adequate and rigorous business planning.
9. The Institute will publish relevant financial information for transparency and stakeholder trust.

### Authorisations

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

## Use of the Institute's funds

12. Zenith's funds must only be expended on goods and/or services for purposes that are directly related to the Institute. Funds from external sources tied to purposes, such as loans or contributions from other related entities to the Institute, must be used only for the specified purposes.

## Ownership of the Institute's Property

13. All items purchased from Zenith's funds are the property of Institute unless there is an agreement in writing to the contrary.
14. Where there is a tangible output from a service purchased with the Institute funds, e.g. a report, that output is the property of the Institute, unless there is an agreement in writing to the contrary at the time the service was engaged.

## Care and use of the Institute's property

15. All users of Zenith's property must:
  - (a) treat the Institute's property with care and consideration, in accordance with accepted legal and ethical standards
  - (b) use the Institute's property for purposes directly related to the Institute only, and in accordance with safe work practices and any relevant Institute procedures and
  - (c) ensure that the Institute's property is appropriately secured from damage, theft, or misappropriation.

## Financial records

16. All Zenith financial transactions must be properly documented and accurately recorded in a timely manner and in accordance with the relevant policies and procedures.
17. The Institute will maintain a financial information system for recording, storing and accessing financial information and data. This includes maintaining secure accounting software for Zenith's staff to use, including for producing adequate financial information and records as required for Zenith's purposes and for compliance e.g. annual information required by TEQSA, implementing and testing the accounting system to ensure it is secure against external influences (e.g. cyber penetration), and ensuring information is securely backed up every few hours and accessible should the system be compromised. Please refer to ICT and Cybersecurity Management Policy and Procedure.
18. 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.
19. The Institute is committed to ensuring that the law is upheld and that the principles of timely and accurate record keeping are facilitated. Therefore, in accordance with the Institute's *Records Management Policy and Procedure*, all financial transactions must be properly documented, accurately recorded in a timely manner and securely stored for an appropriate time in accordance with taxation, Accounting Standards and compliance regulations.

## Integrity

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

## Compliance

21. All staff of Zenith are required to comply with this policy and related policies, procedures and plans. Failure to do so may result in disciplinary action in accordance with the *Human Resource Management Policy and Procedure* and may include the withdrawal of the Institute's privileges, services, and facilities.

# Procedures

## Business planning and budgeting

22. In order to ensure financial viability and to satisfy regulatory requirements that the financial position, financial performance and cash flows of Zenith are monitored regularly and understood, the Institute will engage in comprehensive planning and review. The planning and review activities establish financial forecasts that account for staffing, facilities and resource funding on the basis of projected student enrolments and new course development in order to achieve the strategic objectives of the Institute.
23. As a priority, financial planning, review, and assurance activities include consideration of the Institute's:
  - (a) ability to continue to operate sustainably in the future
  - (b) ability to maintain adequate staffing levels and academic leadership in order to support academic quality and integrity
  - (c) capacity to invest in sufficient facilities and infrastructure (physical assets and information communication technology) to support the student learning experience
  - (d) capacity to provide adequate support services to students and
  - (e) business continuity plans, risk management and financial and tuition safeguards in the event of disruption or discontinuation of operation.
24. The GB will approve the annual budget and forecast revenues for Zenith, and once these are approved, the GB monitors Institute's financial performance on a quarterly basis as a component of ongoing business planning.
25. Zenith will undertake ongoing business planning to support its day-to-day operations, which will be mapped over a five-year period in the Institute's *Institutional Plans – Strategic, Business, Marketing and Student Recruitment and Workforce*. The CEO will prepare a quarterly financial status report for review and assessment by the Audit and Risk Committee (ARC), who assists the GB and the Institute to remain compliant with relevant regulations.
26. The CEO's quarterly financial status report will:
  - (a) analyse actual operational performance against the financial forecasts provided within the *Business Plan*
  - (b) explain any significant variances from the financial forecasts and the effect this will have on the operations of the Institute and
  - (c) explain any remedial action that has been, or will be, undertaken to achieve the financial forecasts and/or maintain the financial viability of the Institute.

## Annual Financial Statements

27. Zenith prepares Annual Financial Statements in accordance with Australian Accounting Standards.
28. The annual financial statements are independently audited by an appropriately qualified auditor.
29. The GB endorses the Institute's financial statements and provides them to the Tertiary Education Quality and Standards Agency (TEQSA):
  - (a) for each annual financial reporting period
  - (b) in a form approved by TEQSA
  - (c) with a statement by an independent, qualified auditor and
  - (d) within six months of the end of the annual financial reporting period.

## Schedule of Delegations

30. This Policy must be read in conjunction with the Zenith's governing instruments and *Delegations Policy and Schedule*.
31. 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.

## Financial Authorisation and Fraud Prevention

32. This Policy must be read in conjunction with Zenith's *Fraud Prevention Policy and Procedure*.
33. The *Fraud Prevention Policy and Procedure* identifies the potential for fraud associated with the misappropriation and unauthorised use of financial assets.
34. According to the policy, instances of fraud may involve matters such as unauthorised expenditure, which can be managed internally with an approach that is consistent with the *Human Resources Management Policy and Procedure* or more serious, such as theft of cash, and may involve law enforcement agencies.
35. In order to mitigate and minimize the risk of loss of its financial assets, Zenith has appropriate financial controls in place that are consistent with a number of the fraud detection strategies outlined in the *Fraud Prevention Policy and Procedure* and the section 'Authorisations' of this policy.
36. These controls involve a schedule of internal and external audits, regular monitoring of financial activity and the training of key personnel in fraud detection.
37. Additional prevention measures are outlined in the above section of this policy 'Schedule of Delegations' ensuring that the authorisation of all relevant financial expenditure and transactions are executed in accordance with Zenith's *Delegations Policy and Schedule*.
38. Zenith will also conduct post-transaction reviews and financial reconciliations of the integrity of authorisations, adherence to guidelines on expenditure receipting and missing documentation aiming to detect altered or missing documents or falsified or altered authorisations.
39. The GB is responsible for reviewing any breaches in respect to financial authorisation in accordance with the *Fraud Prevention Policy and Procedure*.

## Responsibilities

40. Management of finances at Zenith is the responsibility of the CEO and is assured by oversight of the ARC, and through ongoing review conducted by the GB.
41. The Institute's *Delegations Policy and Schedule* identifies the organisational positions and/or bodies that are authorised to make decisions on behalf of the Institute, as well as allowable delegations of authority from one organisational position or body to another and defines the principles that govern the delegation of authority across the organisation, including financial delegation. The *Delegations Policy and Schedule* set out those organisational positions and/or bodies that have authority to commit or approve expenditure (of specified amounts) and manage the assets of the Institute.
42. The CEO and financial support staff are responsible for:
  - (a) 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
  - (b) maintenance of the Institute's accounting and financial management information system
  - (c) maintenance of an asset management system that tracks acquisitions, disposals and transfers of the Institute's assets
  - (d) receiving course fees and distributing these in accordance with the Institute's policies

- (e) ensuring that funds are held in a secure location and regularly placed into appropriate bank accounts
- (f) management of the Institute's cash flow to ensure that funds are available to support day-to-day operational requirements
- (g) actioning, recording and reporting of the Institute's taxation liabilities/benefits in accordance with legal, statutory and audit requirements, accounting standards and generally accepted accounting principles.
- (h) Self-assure the GB of the adequacy and integrity of the accounting software and system through annual testing and analysis of relevant systems to ensure its is sufficiently robust for the purposes of Zenith's needs and compliance purposes.

## Definitions

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

Term	Definition
Financial records	All general records, accounting books, documents, securities and records of expenditure and receipts
Financial viability	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 By	Approval Date
1.0	New Policy	Governing Board (GB)	21 Mar 2024
1.1	Under Next scheduled review updated from three to two years  Under Related Documents deleted "student recruitment plan"  Point 17 added	GB	27 Feb 2025