

Financial Management Policy

Section 1 - Purpose

(1) This policy sets the financial standards of conduct at the University.

Section 2 - Overview

(2) The University has an ethical and legal responsibility to ensure that all financial dealings are conducted with integrity and that funds are utilised efficiently and effectively.

(3) This policy, together with the procedures and other resources referred to herein, has been developed to ensure appropriate measures and controls are applied to the University's financial dealings

Section 3 - Scope

(4) This policy applies to all staff and to all controlled entities within the RMIT Group.

(5) Compliance with country-specific legislative requirements must be obeyed.

Section 4 - Policy

Principles

(6) RMIT is committed to:

- a. the proper use and management of both public and private funds for which it is responsible
- b. establishing and maintaining effective internal control systems over financial transactions and dealings
- c. maintaining segregation of duties where possible, or appropriate review mechanisms to ensure safety of its assets
- d. identifying and managing financial risks
- e. maintaining proper accounting records and systems, and other records, in accordance with state government regulations and directions
- f. establishing and maintaining measures to minimise and manage the risk of fraud, corruption and other losses
- g. compliance with external reporting and other information provision requirements.

Risk and Financial Authorisation Frameworks

(7) RMIT maintains a framework to identify, assess, monitor, report on and mitigate risks.

- a. Treasury and investment risks are managed in accordance with the [Treasury Policy](#).
- b. Issues and risks relating to Commonwealth taxation obligations and concessions that are not unique to the University and which have potential sector-wide implications are reported to the relevant government authority.

(8) RMIT's [Delegations of Authority Policy](#) provides a framework for the authorisation of all financial transactions and commitments, including liabilities, expenditure and bank accounts. Staff must ensure that all financial transactions are:

- a. recorded correctly, in an acceptable timeframe
- b. supported by adequate appropriate documentation
- c. reviewed and approved in accordance with the [Delegations of Authority Policy](#).

Internal Control System

(9) The University maintains an internal control system in relation to financial management, performance and sustainability. Such controls will include:

- a. timely reconciliation of financial transactions and balances
- b. duties being assigned to appropriately trained individuals
- c. appropriate segregation of duties between relevant individuals.

Financial Management

(10) RMIT expects all staff to conduct financial dealings with integrity, and act in the best interests of the University at all times.

- a. All assets and funds are utilised for appropriate and approved purposes only.
- b. The commitment of RMIT Group funds is appropriately authorised and documented.
- c. All financial transactions are appropriately documented, approved, reported and reconciled in the University financial ledgers in an accurate and timely manner and in accordance with applicable accounting standards.
- d. All assets must be appropriately secured, managed and maintained in the best interests of the University.

(11) RMIT is committed to robust financial management practices in accordance with applicable laws, regulations, standards and codes of practice across all jurisdictions in which it operates.

- a. Income is recognised by its source and according to reporting requirements in accordance with applicable accounting standards and the Revenue and Expenses Procedure.
- b. Unrecoverable debts are regularly monitored and, where necessary, written off in accordance with the Bad Debt Guideline.
- c. Transactional banking activities (receipts and payments) and the payment of net salaries and associated deductions are conducted in accordance with the Transactional Banking Guideline.
- d. Bank accounts are opened, maintained and operated in accordance with authorisations in the [Delegations of Authority Policy](#) and the [Treasury Policy](#).
- e. Expenditure is incurred in compliance with the Business Expenses Policy and authorised in accordance with the [Delegations of Authority Policy](#).
- f. Assets are procured, maintained, disposed of and accounted for in accordance with the authorisations in the [Delegations of Authority Policy](#), the Procurement Policy and the [Asset Management Procedure](#).
- g. Taxation obligations will be completed in a timely manner to ensure prompt submission of returns/statements and maximisation of cash flows from tax liabilities/entitlements.
- h. Use of University corporate credit cards and PCards is governed by the [Credit Card Management Procedure](#).

Responsibilities

(12) The Audit and Risk Management Committee is responsible for reviewing breaches of this policy.

(13) The Chief Financial Officer is responsible for:

- a. maintenance, review and coordination of the implementation of this policy and associated procedures and guidance
- b. handling breaches and determining corrective actions
- c. reporting breaches to the Audit and Risk Management Committee.

(14) The Deputy Vice-Chancellor Design and Social Context is responsible for the [Cultural Asset Management Procedure](#).

(15) All staff are responsible for:

- a. complying with this policy and relevant supporting procedures and resources
- b. reporting any behaviours or activities that may constitute a breach of this policy to the Chief Financial Officer and the Director, Risk Management
- c. reporting known or suspected instances of corrupt, improper or criminal conduct as outlined in the [Anti-Corruption and Fraud Prevention Policy](#)
- d. maintaining and respecting the confidential and personal nature of financial information and acting in accordance with the [Privacy Policy](#)
- e. declaring any personal interests which may affect or be affected by an RMIT transaction in accordance with the [Conflict of Interest Policy](#).

Compliance

(16) Non-compliance with this policy may result in disciplinary action, including termination of employment or engagement, and referral to law enforcement agencies.

(17) Breaches of process or this policy will be reported immediately to the Chief Financial Officer and the Director, Risk Management, who will:

- a. determine whether corrective action is to be taken, and
- b. report to the Audit and Risk Management Committee.

(18) The following policies regulate financial management practices and behaviours and must be read in conjunction with this policy:

- a. [Anti-Corruption and Fraud Prevention Policy](#)
- b. [Business Expenses Policy](#)
- c. [Conflict of Interest Policy](#)
- d. [Delegations of Authority Policy](#)
- e. [Gifts, Benefits and Hospitality Policy](#)
- f. [Information Governance Policy](#)
- g. [Privacy Policy](#)
- h. [Procurement and Expenditure Policy](#)
- i. [Employee Lifecycle Policy](#)

Review

(19) This policy will be reviewed every three years in accordance with the [Policy Governance Framework](#), unless a change in government regulations or other external requirements necessitates an immediate review.

Section 5 - Divisional Policies

(20) This policy authorises the following divisional policy:

- a. [Treasury Policy](#)

Section 6 - Procedures and Resources

(21) Refer to the following documents which are established in accordance with this policy:

- a. [Annual Fee Setting Process](#)
- b. [Asset Management Procedure](#)
- c. [Bad Debt Guideline](#)
- d. [Competitive Neutrality Process](#)
- e. [Costing Models Process](#)
- f. [Credit Card Management Procedure](#)
- g. [Retail Management Process](#)
- h. [Revenue and Expenses Procedure](#)
- i. [Taxation Procedure](#)
- j. [Transactional Banking Guideline](#)
- k. [Treasury Management Procedure](#)
- l. [Treasury Policy](#) (divisional policy)
- m. Philanthropic Committee Investment Process.

Section 7 - Definitions

(Note: Commonly defined terms are in the RMIT Policy Glossary. Any defined terms below are specific to this policy).

Liabilities	Ordinarily arise when the University has an obligation to another entity as a result of past transactions or past events.
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Status and Details

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Policy Owner	Clare Lezaja Chief Financial Officer
Policy Author	Tom Weir Director, Central Finance Operations
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Glossary Terms and Definitions

"RMIT Group" - The University, its controlled entities and strategic investment vehicles (known as the RMIT Group).