

# Financial Controls Procedure



## Purpose/objective

This Procedure supports the Financial Management Policy by detailing the way day to day financial transactions are handled at the Australasian Academy of Higher Education (AAHE).

## Scope

This Procedure applies to all staff at the AAHE. It should be read in conjunction with Schedule 2 to the *Delegation of Authority Policy: Financial delegations for incurring expenditure or signing contracts*.

The Procedure does not apply to the procurement of ICT systems or resources, which is governed by the ICT Provisioning Policy.

## 1. Bank accounts

- 1.1 Variations to banking arrangements and signing authorities must be approved by the Board.
- 1.2 The Finance Officer is responsible for updating the financial system with the new information.
- 1.3 Where it is decided that a bank account is no longer necessary, the Board will authorise the closure of the account.
- 1.4 All deposits received as cheques must be banked the next business day. AAHE will not accept payments from students in cash.
- 1.5 The Finance Officer will investigate daily any unidentified direct deposits to determine the source of those deposits and ensure their correct accounting treatment.
- 1.6 AAHE will pay suppliers and employees via EFT. Two signatories are required to authorise all EFT disbursements over \$10,000.
- 1.7 Cheques will not be issued, nor will a petty cash facility be available.
- 1.8 All bank accounts must be reconciled monthly as part of the monthly reporting cycle by the Finance Officer and reconciling items promptly followed up and cleared. Posting entries to "Suspense accounts" is not permitted.
- 1.9 To ensure full and proper segregation of duties, the Finance Officer must not be an authorised bank signatory.

## 2. Credit cards

- 2.1 An employee will only be issued a credit card once the Credit Card Authorisation Form has been completed and signed by the Chief Operating Officer (COO).
- 2.2 The business credit card can only be used for travel, authorised entertainment and purchases of business goods and services.
- 2.3 The COO will be responsible for setting individual card limits, having regard to the expenses likely to be incurred by the staff member, particularly for those staff undertaking overseas business travel.

- 2.4 No cash advances are to be taken using the business credit card.
- 2.5 Where a business credit card is lost or stolen, the owner of the card is required to notify the COO immediately. The COO will notify the issuing agency and ensure that the card is cancelled.
- 2.6 Business credit cards may not be used for personal expenses.
- 2.7 All holders of business credit cards are required to reconcile within seven days their monthly credit card statement using the Credit Card Expense Reconciliation pro-forma, attach all receipts for payments made on the credit card and have the expense statement authorised by the COO.
- 2.8 On completion and authorisation of the monthly reconciliation statement, all source documents are to be forwarded to the Finance Officer for payment of the credit card statement.
- 2.9 All business credit cards are to be returned to AAHE when the holder finishes their employment or they are requested to do so by the COO.

### 3. Suppliers

- 3.1 All purchases for business related items must be procured from authorised suppliers.
- 3.2 All proposed suppliers must be evaluated and approved to ensure that the product/service they offer is aligned with AAHE's business objectives and acceptable value for money.
- 3.3 A new supplier must provide the Academy with details relating to the product or service specifications, quality standards, pricing, delivery details and so on, and any other relevant information as determined by the COO.
- 3.4 The Supplier Information Form (**Appendix A**) must be completed and endorsed by the COO.
- 3.5 No products or services are to be acquired before these approvals occur.
- 3.6 All relevant details of the supplier will be entered into the financial system by the Finance Officer.
- 3.7 The supplier will be notified within 7 days of their approval.
- 3.8 Once created, any subsequent change to the supplier's Bank Account details – BSB, Account name and number – must be verified by the COO after reviewing proper documentary evidence from the supplier and before the financial system is changed.

### 4. Service Agreements

- 4.1 All Service Agreements are to be stored in accordance with the processes determined by the COO in AAHE's approved records management system.

### Related documents and relevant legislation

Financial Management Policy

Delegation of Authority Policy

ICT Provisioning Policy

Records Management Policy

Corporations Act 2001 (as amended) (Cth)

Higher Education Standards Framework (Threshold Standards) 2021

Supplier Information Form

Business Name of Supplier:

\_\_\_\_\_

Location of Supplier:

\_\_\_\_\_

Products/Services provided by supplier:

\_\_\_\_\_

(Attach a list if necessary)

Supplier's Bank Account details – BSB, Account name and number – Attach and retain proper documentary evidence from supplier

\_\_\_\_\_

Name of business owner/ sales representative:

\_\_\_\_\_

How many years has the supplier been trading?:

\_\_\_\_\_

Is the supplier pricing competitive? Attach list to this checklist: \_\_\_\_\_

What are the payment terms? \_\_\_\_\_

What is the returns policy? \_\_\_\_\_

Does the supplier provide warranties, guarantees etc.? \_\_\_\_\_

Are the supplier's representatives knowledgeable of the products/ services and industry? \_\_\_\_\_

Have any alternative suppliers been considered? Yes/No

If so, why was this supplier preferred? \_\_\_\_\_

If not, why not? \_\_\_\_\_

What are the delivery services? \_\_\_\_\_

Has a credit check been undertaken for the supplier? (Not mandatory but attach to this checklist if undertaken) \_\_\_\_\_

Insert additional information that may assist the Chief Operating Officer to determine whether or not to appoint the new supplier.

## Document information

**Document owner:** Board of Directors

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