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PART 11 FINANCIAL MANAGEMENT

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11.1 General Policy

The focus of financial management of the University is to ensure the equitable, efficient and effective management of the University of Southern Queensland's financial resources.

Managers shall be responsible for utilising their expertise, experience and judgement in the use of resources, so as to result in the successful achievement of programs that led to the University achieving its stated objectives.

Managers shall perform the task of financial management taking into consideration the following principals:

(a) Decision making shall to be performed using cost-effective, accurate, timely and objective financial information.

(b) Assets of the University are to be used to their optimal potential.

(c) The creation and maintenance of sound, cost effective, and workable internal control systems.

(d) Utilising contemporary, well established and proven management techniques in the financial management function.

(e) Introduction of budget process that:

(i) results in effective short term planning;

(ii) assists in the allocation of scarce resources;

(iii) monitors actual performance to budget standards regularly.

11.2 Responsibilities of Managers

Managers of the University are responsible for the equitable, efficient and effective management of their areas of responsibility. Each manager shall have specific responsibilities, however there are a number of responsibilities that all managers shall undertake so as to result in the effective financial management of the University:

(a) Managers are required to constantly monitor the expenditure of resources in their areas of responsibility. Such reviews shall take place at least monthly with an extensive review quarterly. Managers shall implement corrective actions where appropriate to ensure the Council approved budget of the area is not exceeded.

The overall University position shall be reported to Council each quarter by the Group Manager, Fianace and Facilities based upon a comprehensive review by the Senior Management Accountant.

(b) Managers responsible for areas where the primary function is to generate revenue, shall monitor the inflow of revenue to the area on a regular basis, which shall be at least monthly. Any anomalies shall be investigated immediately and actions implemented to correct the situation. An extensive review of revenue earned shall be undertaken quarterly.

Other areas that generate revenue (but it is not their primary function) shall monitor their actual revenue earned at least quarterly.

The overall University position shall be reported to Council each quarter by the Group Manager, Fianace and Facilities based upon a comprehensive review by the Senior Management Accountant.

(c) Managers shall be pro-active in:

(i) identifying areas where potential cost savings can occur;

(ii) identifying areas where reasonable revenue generating activities can be implemented;

(iii) encourage subordinates to raise and discuss revenue enhancement and cost reduction opportunities.

(d) Managers shall institute control procedures that ensure University funds are not committed for expenditure unless those funds are available under the Council approved budget for the proposed expenditure.

(e) Managers shall participate in the University budget process. Managers shall institute planning procedures that compliment the overall University planning process.

(f) Managers shall have an ethical and professional approach to the management of their areas or responsibility. Managers shall be accountable for the performance of their areas towards the achievement of University goals and objectives.

(g) Reporting by managers shall include relevant and timely information for decision making. Reports shall be comprehensive, accurate, correctly formatted and submitted in a timely manner. Where applicable reports shall recommend corrective actions supported by information in the report.

(h) Cost centre managers shall develop a list of key performance indicators (include key tasks) that if performed correctly and within time restrictions, will largely contribute to the area and the University achieving program objectives.

(i) Managers shall maintain inventory levels at a workable minimum level.

(j) With respect to University personnel, managers shall ensure:

   (i) that all staff are reviewed as required by University Human Resources Policy Guide;

   (ii) that subordinates are trained and developed to a level that will enable them to perform the duties required of their position;

   (iii) they develop a "succession plan" which will be used as a guide to ensure that adequate personnel are available to fill key roles in the University, as well as highlighting areas where personnel may require additional training.

11.3 Budgeting Policy

Council each year shall adopt a budget for the forthcoming financial year as directed by section 54 of the *University of Southern Queensland Act 1998* Council shall also approve all amendments to the budget and shall control the expenditure of the University so that it conforms as nearly as practicable to the approved budget.

The following are policies in respect to the University Budgeting process:

(a) Each manager is to prepare an annual budget of expenditure items for the forthcoming financial year, as directed in the annual budget preparations issued by the Group Manager, Finance and Facilities.

(b) The annual budget is to be based on the expenditure of resources required for the financial year to execute the programs planned for that financial year. In addition the budget is to include the requirements necessary for the ongoing maintenance of the cost centre, including administrative support and associated on-costs required to ensure the area is managed in an efficient manner.

(c) Managers shall institute control procedures that ensure the Council approved budget of their area is not exceeded. Managers shall institute a regular independent review process to monitor actual expenditure against budget.

(d) The financial information system shall be designed to facilitate the extraction of information by managers that will be used in their individual review processes.

(e) Monthly Operating Statements shall be issued by the run by Faculties/Departments to assist managers in the continuous process of managing their resources.

(f) Managers are encouraged and expected where possible to make reasonable savings in expenditure that do not adversely effect the end result of their planned programs and operational effectiveness of their areas of responsibilities.

Managers shall not approve the commitment of funds merely as a means to exhaust unused budget allocation. As an incentive to efficient resource use, managers are permitted to carry forward unused budget allocations from one financial year to the next.

(g) Managers shall undertake a quarterly review process of expenditure incurred and revenue earned by the area. This review process will be accumulated for the University and reported to the Group Manager, Fianace and Facilities. The report shall identify:

(i) areas of concern in which actual expenditures may exceed budget allocations;

(ii) areas where potential savings may exist;

(iii) areas where revenue earned is below budget estimates;

(iv) any other areas where potential problems may exist.

(h) Managers may adjust their budget by shifting budget surpluses in one account to another account where budget allocations will be insufficient. Managers are not permitted to increase the overall Council approved budget allocation. Any such adjustment shall only be performed at the quarterly review stage. Any such adjustment shall be:

(i) approved by the next level of management;

(ii) notified to the Senior Management Accountant.

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