

# Financial Code of Conduct Policy (MPF1338)

## 1. Objectives

The objectives of this policy are to:

- (a) set the minimum financial standards of conduct expected from all people involved in any aspect of financial matters or dealings at the University of Melbourne; and
- (b) make provision for disciplinary action to be taken for breaches of this policy.

## 2. Scope

This policy applies across the University.

## 3. Authority

This policy is made under the *University of Melbourne Act 2009* (Vic) and the Vice-Chancellor Regulation and supports compliance with the:

- (a) *Financial Management Act 1994* (Vic);
- (b) Standing Directions of the Minister for Finance; and
- (c) Australian Accounting Standards.

## 4. Policy

4.1. All University employees and any other person authorised to transact financial business on behalf of the University must familiarise themselves with, and comply with this policy, the Procurement Policy, [Contracts Policy](#), and relevant [supporting processes](#).

4.2 Business-related expenses incurred by University staff or students will be recorded, managed, approved and periodically audited to ensure accountability and probity is maintained.

4.3. Non-compliance may result in sanctions that could include:

- (a) the removal of a persons' access to the University's finance or other systems;
- (b) the withdrawal of a person's financial delegation;
- (c) the suspension and/or cancellation of a person's credit card, and prevention from applying for its reissue; and/or
- (d) disciplinary action under the relevant disciplinary instrument.

4.4. Instances of non-compliance with this policy must be reported to the Chief Financial Officer (CFO) and Audit Assurance Services for further action as appropriate.

## Financial Responsibilities and Internal Controls

4.5. Employees, contractors, students, Council and other committee members are expected to act at all times in the best interest of the University and should conduct all financial dealings with integrity and fairness.

4.6. The University acknowledges the responsibility it has for:

- (a) the proper use and management of both public and private funds for which the University is responsible;
- (b) establishing, and maintaining effective internal control systems over financial transactions and dealings;
- (c) identifying and managing financial risks;
- (d) maintaining proper accounting records and systems, and other records, in accordance with state government regulations and directions;
- (e) establishing and maintaining measures to minimise and manage the risk of fraud, corruption and other losses; and
- (f) compliance with external reporting and other information provision requirements

4.7. Where persons have direct responsibility for financial transactions, they must be acquainted with University processes derived from relevant sections of the [Standing Directions of the Minister for Finance pursuant to Section 8 of the Financial Management Act 1994](#) and comply with these.

4.8. All persons must report known and suspected instances of corrupt, improper or criminal conduct as outlined in the Appropriate Workplace Behaviours Policy as amended from time to time.

4.9. The giving and acceptance of any gifts must be in accordance with the University's Appropriate Workplace Behaviour Policy.

4.10. All tendering and procurement activity must be compliant with the University's Procurement Policy.

4.11. All users of University facilities and resources must comply with the University's [Property Policy](#) and the [Provision and Acceptable Use of IT Policy](#)

### **Financial Authorisations**

4.12. The authorisation of financial transactions must be in accordance with the University's Delegations Framework, the Procurement Policy, the [Contracts Policy](#) and the [Records Management Policy](#).

### **Declaration of financial and other interests**

4.13. Persons involved in any financial business of the University must declare any personal interests which may affect or be affected by a University transaction.

4.14. Actual, potential or perceived conflicts of interest must be managed in accordance with the University's [Appropriate Workplace Behaviour Policy](#).

## Confidentiality

4.15. Employees, contractors, Council members and students are expected to maintain and respect the confidential and personal nature of financial information and other matters of a financial nature that they come across during the course of their roles and act in accordance with privacy and data protection legislation and policy.

4.16. Unless authorised by an appropriately delegated officer, no one is to use confidential information for personal reasons or to benefit a third party.

## Taxation

4.17. The CFO ensures compliance with all legal requirements for the University's administration of taxation.

4.18. Heads of divisions ensure awareness of the University's policy and processes around taxation, and comply with any direction given by the CFO regarding taxation.

## Assets

4.19. Any use of University facilities or assets with the primary intention of personal gain or profit is not permitted under any circumstances.

## Treasury and Financial Risk Management

4.20. Council may establish one or more investment pools for the collective investment of any funds held by or in the custody of the University under section 40(1) of the *University of Melbourne Act 2009* (Vic) (the Act).

4.21. The University may invest money on the authority of Council, according to the investment strategy formulated by the Investment Management Committee and endorsed by Council.

4.22. Subject to section 45 of the Act, Finance Committee must approve all borrowing of money and capital raising activities.

4.23. Chancellery Finance is responsible for managing the investment and accounting of the capital and income of trusts of which the University is trustee (see also [Trusts Policy](#)).

## 5. Procedural Principles

### Accounting

5.1. Heads of divisions must ensure all financial transactions are:

- (a) recorded correctly in an acceptable timeframe;
- (b) supported by adequate documentation; and
- (c) reviewed and approved in accordance with financial delegations and audit requirements.

### Chart of Accounts

5.2. The University maintains a Chart of Accounts for compliance and financial reporting purposes, which may be amended from time to time based on business requirements.

5.3. The Practice Guide to the Chart of Accounts provides detailed information on the structure of the chart of accounts and the function of the segments.

5.4. Use and establishment of values within the segments must meet the defined criteria as outlined in the Practice Guide to the Chart of Accounts.

### **Assets: General**

5.5. Excessive personal use of any University equipment or removal of any property, except the removal of mobile telephones or assigned laptop computers and tablets, from the work place for any purpose is not permitted without appropriate line manager approval. This permission can form part of a standing agreement (e.g. a work at home plan).

5.6. Assets classified as either of the following must be recorded in the University's asset register:

(a) an attractive item (< \$10,000); or

(b) a capitalised asset (\$10,000+).

5.7. Assets which do not meet either criterion are not recorded on the University's asset register.

5.8. Accounting for Assets must be in accordance with the Australian Accounting Standards

5.9. Assets funded from external sources for research projects are owned by the University unless an exception exists.

5.10. Before purchasing equipment or plant, consideration must be given to training, site requirements and compliance with Australian standards as detailed on the [health and safety website](#).

### **Assets: Disposal and Transfer**

5.11. Assets are disposed of in accordance with University processes. Methods of disposal may include:

(a) sale;

(b) loss;

(c) transfer;

(d) donation; or

(e) destruction / disposal as waste.

5.12. An officer authorised under the Delegations Framework must approve disposal of capitalised assets and attractive items.

5.13. Assets funded from external sources that are subject to externally imposed rules and conditions relating to ownership, may only be disposed of in accordance with those rules and conditions.

5.14. The transfer of an asset to another institution, as a result of the transfer of the researcher, will be in accordance with this policy.

5.15. When assets are sold, the division must:

- (a) approve the sale in writing;
- (b) ensure the buyer is not the authorising officer for the sale;
- (c) estimate and document in writing the item's market value for audit purposes and provide reasons if sold for less than this value;
- (d) ensure payment is received before the asset is released; and
- (e) ensure that where the sale of an asset is to an external party that the item is subject to goods and services tax (GST).

5.16. If an acceptable sale offer is not received, then the item/s may be donated on recommendation of the head of division to:

- (a) institutions having similar aims to the University; or
- (b) not for profit organisations and charities.

5.17. An asset is regarded as being lost if it is stolen, destroyed or misplaced and must be written off in accordance with University processes.

5.18. Disposal of certain items of plant and equipment fall under the *Occupational Health and Safety Regulation 2007*(Vic) Part 3.5 - Plant and the procedures under this regulation must be followed when disposing of such plant and equipment.

### **Assets: Loan and hire of equipment**

5.19. A loan or hire may be internal or external to the University.

5.20. An officer authorised under the Delegations Framework must approve the loan or hire of University property.

5.21. University owned equipment located in academic divisions may only be lent or hired for the purposes of teaching, research or engagement and where questions of goodwill or reciprocal assistance arise, especially with regard to unique items, but must not be loaned to members of staff for use in connection with any outside work.

5.22. Assets funded from external sources that are subject to externally imposed rules and conditions relating to usage may only be the subject of a loan or hire arrangement in accordance with those rules and conditions.

### **Income and Revenue**

5.23. The University has a range of income streams, such as but not limited to:

- (a) course fees and charges;

- (b) funding from Government;
- (c) research income;
- (d) commercial income including rental income, consulting activities and other fee for service arrangements
- (e) investment income; and
- (f) philanthropic income

5.24. Income is recognised by its source in the finance system. Please see the Student Loans, Fees and Charges Policy for detail on student-related income and the Research Funding and Fee for Service Activities Policy for detail on research-related income.

5.25. Where a contractual or donor obligation exists, interest earned is credited to the respective research, trust or other project or, in the case of a donor obligation, for the benefit of the gift's stated purpose.

5.26. Interest earned on research funds is paid to the research body only where it is a condition of the granting body

### **Expense Management**

5.27. The University may issue a University credit card to a staff member if it determines that the staff member requires the credit card for business-related expenses, taking into account the staff member's position and responsibilities.

5.28. A staff member will not be issued with more than one credit card.

5.29. A staff member who is issued a University credit card (cardholder) must:

- (a) use their University credit card only for business-related expenses;
- (b) comply with the terms and conditions of the credit card outlined by the issuing bank, as well as relevant University policies and processes; and
- (c) ensure that expenses incurred on their credit card are reconciled within the timelines prescribed in the relevant University processes.

5.30. The University will reimburse staff and students for business-related expenses which were using cash or other private payment methods, provided that a claim for reimbursement is lodged within the period prescribed by the associated process.

5.31. The University will not reimburse:

- (a) payment to contractors or individuals for their labour from personal funds; or
- (b) expenses incurred for goods and services which should be purchased through the University's Procurement system.

### **Bad Debts**

5.32. Authority to write off bad debts is outlined within the Delegations Framework.

## Trusts

5.33. All monies received from trust funds governed by University Trust Records must be processed in accordance with these rules and the [Trusts Policy](#).

## Transaction Banking and External Payments

5.34. The University is exposed to operational risk through its transaction banking activities and external payments. The management of operational risk in these activities will include segregation of duties and other key controls which are documented in the University's Financial Risk Management Processes.

## Capital Management and Planning

5.35. Efficient capital management and planning is a key aspect of the University's financial matters and dealings. The Capital Planning Framework provides an overview of the processes involved in the development, validation and funding approval for capital projects.

## Taxation and Prizes

5.36. Educational awards or prizes are dealt with in accordance with the relevant ATO ruling.

5.37. The University is required to withhold PAYG tax where the payment is subject to income tax.

## 6. Roles and Responsibilities

<i>Role/Decision/Action</i>	<i>Responsibility</i>	<i>Conditions and lim</i>
<ul style="list-style-type: none"> <li>- Ensure compliance with all legal requirements for the University's administration of taxation</li> <li>- Creation and maintenance of the Chart of Accounts</li> <li>- Ensure the University's asset register is maintained</li> </ul>	Chief Financial Officer	
<p>Ensure:</p> <ul style="list-style-type: none"> <li>- financial transactions are recorded correctly in an acceptable timeframe, supported by adequate documentation and reviewed and approved in accordance with financial delegations and audit requirements</li> <li>- awareness of the University's policy and processes around taxation and comply with any direction given by the CFO regarding taxation</li> </ul>	Heads of divisions	In accordance with
Establish and maintain processes surrounding the management of the University's liquidity risk, interest rate risk, foreign exchange risk and credit risk	Chief Financial Officer	
Develop, implement, review and revise processes that support this policy	Head of University Services (or delegate)	

## 7. Definitions

**Business-related expense** means an expense incurred in the course of undertaking University business, on the University's behalf.

**Head of division** means the Vice Chancellor, the Head of University Services or the dean of an academic division.

**Research income** is received from a number of sources, such as competitive grants, contract research and joint ventures (including centres) and may include consultancies. Research income is allocated for the primary purpose of supporting research projects.

**Trust** is as defined in the University's [Trust Policy](#).

**University credit card**, or **credit card**, means a credit card issued by the University to a staff member in accordance with this policy and associated processes.

### POLICY APPROVER

Vice-Principal Administration and Finance and Chief Financial Officer

### POLICY STEWARD

Executive Director, Finance

### REVIEW

This policy is to be reviewed by 31 January 2021.

### VERSION HISTORY

Version	Approved By	Approval Date	Effective Date	Sections Modified
1	Vice-Principal Administration and Finance	31 Jan 2017	28 Feb 2017	New policy arising from the policy consolidation project (consolidating the former Asset Management Policy MPF1075, Revenue Policy MPF1092 and supporting policies)
2	Vice-Principal Administration and Finance	07 Nov 2017	08 Nov 2017	Addition of section 4.2, amendment to section 4.3 (formerly 4.2). Additions of Business-related expense and University credit card, or "credit card". Consequent amendments to other sections.