

Financial Management Policy



Traditional education, Modern delivery.

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1. Financial management policy for higher education

1.1 Introduction and purpose

Financial management at SACOB is undertaken by suitably qualified staff and is aligned with financial guidelines and requirements for good financial governance. SACOB is committed to ensuring the ongoing financial viability and sustainability of the Institution and, additionally, ensuring that an auditor or auditing firm registered with the Independent Regulatory Board for Auditors (IRBA) undertakes an annual audit of the Institution's books.

The purpose of this policy is to address principles and practices relating to sound financial management as part of SACOB's overarching institutional project.

4.2 Principles of financial management

SACOB adopts the following principles relating to financial management:

- The establishment, implementation, maintenance and management of financial processes facilitates the necessary internal control.
- SACOB is committed to upholding the following internal control principles in accordance with the National Treasury's Normative Measures for Financial Management:
 - financial control objectives provide reasonable assurance that transactions are executed in accordance with senior management's general or specific authorisation; and
 - all transactions and other events are promptly recorded as the correct amount, in the appropriate accounts, and in the proper accounting period, so as to permit preparation of the financial information in accordance with an identified financial reporting framework.
- SACOB is committed to upholding the following accounting principles:
 - keeping books and records of income, expenditure, assets and liabilities;
 - preparing financial statements within three months of the end of the year, including at least:
 - a statement of income and expenditure for the previous year; and
 - a balance sheet as at the end of the previous year;
 - ensuring an annual audit of its books, records of accounts and financial statements by an auditor, who must conduct the audit in accordance with generally accepted auditing standards;
- SACOB employees are expected, within their designated area of responsibility, to ensure that the system of financial management and internal control is carried out correctly.
- With reference to managing student- and learner-related fees and payment options at SACOB, the administration of registration and tuition fees, as well as fees refunds, will be conducted efficiently and equitably.
- Adequate budget must be allocated toward institutional and academic infrastructure, which includes, inter alia, library and information communication technology structures and resources.

4.3 Practice of financial management

The following set of practices relates to financial management at SACOB:

- In practice, SACOB's internal financial control is maintained through:
 - the actual handling of transactions, with management's authorisation and approval;
 - the actual recording of transactions as per the correct amount, in the applicable accounting period, and in the relevant account, to enable the preparation of financial information in the financial reporting framework required for the Institution;
 - the implementation of systems and procedures to minimise financial risk; and
 - the prevention of unnecessary and wasteful expenditure.
- Employees are responsible and are held accountable for the effective, efficient, economical and transparent use of financial and other resources. As such, it is expected that employees must take effective and appropriate steps to safeguard the resources of the Institution.
- Student and learner fees and refund related inputs and outcomes ensure that equitable and efficient procedures in this regard are documented and communicated properly.
- The inputs and outcomes relating to institutional and academic infrastructure, including – inter alia – information communication technology and library structures and resources, ensure that adequate budget is allocated annually for maintenance and enhancements.

Bibliography

1. National Treasury (2003), *Normative Measures for Financial Management – Phase I: Perfecting the Basics*. Western Cape Government.
2. Council on Higher Education (2021), *A quality Assurance Framework (QAF) for Higher Education in South Africa*. Pretoria: Council on Higher Education.
3. Council on Higher Education (2021), *Framework for Institutional Audits*. Pretoria: Council on Higher Education.

POLICY LEVEL

All academic staff, administrative and support staff, students and prospective students

Revision history:

Policy revision date	Policy revision details	Responsible person(s)
01/05/2021	Version 1 of original policy approved for implementation.	Stacey Mackaiser, Igsaan Adams
01/10/2023	Version 2 approved for implementation with the addition to the Bibliography of the QAF (CHE, 2021), the Framework for Institutional Audits (CHE, 2021) and the CHE's articulation policy (CHE, 2023).	Stacey Mackaiser, Igsaan Adams

Review date:

Note: Policy should be reviewed every three (3) years, or as required as part of cyclical review structures.

Policy review date	Policy review details	Responsible person(s)
01/10/2023	Bibliography expanded.	Stacey Mackaiser
01/10/2025		

Signature:

Head of Institution**01/10/2023**