Treasury Procedure

Section 1 - Purpose

(1) The purpose of this Procedure is to provide a framework for the Treasury Policy within which the University Group manages its treasury function and risks to financial market variables.

Section 2 - Scope

(2) The University Group, including the University of Canberra (University) and wholly owned entities.

Section 3 - Policy

(3) Refer to the Treasury Policy.

Section 4 - Procedure

Operations and Procedures

(4) Arranging and agreeing transactions with external counter parties must occur in a framework of control and accuracy. It is vital to the internal control of the organisation that all transactions are captured, recorded, reconciled and reported in a timely fashion within a system that has all the necessary checks and balances, so that unintentional errors and/or fraud are identified early and clearly.

(5) To achieve this, as far as is practical, transaction, settlement and accounting functions should be segregated. By segregating these responsibilities, no one individual is able to make, confirm, process and report a transaction undertaken with an external party.

(6) The Chief Financial Officer must also ensure:

a. compliance with financial authorities and limits outlined in the University Delegations of Authority Policy;
b. there is documented support for all transactions; and
c. appropriate treasury procedural documentation is maintained.

Treasury and Cashflow Manager

(7) The Treasury and Cashflow Manager:

a. executes all transactions with approved counterparties and within approved limits;
b. manages the cash management requirements of the University to ensure that sufficient liquidity is maintained to meet its financial obligations;
c. maintains a register of financial commitments held by the University; and
d. maintains overall liaison and relationship with the University's banking and investment counterparties.

This policy document may be varied, withdrawn or replaced at any time. Printed copies, or part thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of staff printing this document to always refer to the Policy Library for the latest version.

Revenue and Debtors Accountant

(8) The Revenue and Debtors Accountant checks monthly account reconciliations, reconciling external records to the University's finance system.

Approved Counter Parties

(9) Unless otherwise approved by Council, the University Group (excluding the UC Foundation) will only transact treasury activity (with the exception of interest bearing deposits or other fixed interest investments as explained below) with those Australian registered banks holding either a minimum long term credit rating of 'A' or short term credit rating of A-1 from Standard and Poor's (or Moody's equivalent).

(10) Interest bearing deposits or other fixed interest investments may be placed with unrated building societies or credit unions if recognised as Authorised Deposit-Taking Institutions (ADIs).

(11) In addition, foreign exchange transactions may be undertaken with relevant bodies as approved by the Chief Financial Officer.

(12) A schedule of approved counterparties and their credit ratings will be maintained by Finance & Analytics.

Transaction Origination

(13) The Treasury and Cashflow Manager has the delegated authority to place bank deposits (e.g. term deposits, bank bills etc) on behalf of the University and therefore can commit to all the related contractual obligations under these transactions.

(14) All such transactions are generally originated and agreed verbally by telephone, or by email, and therefore it is important that the following procedures are in place to control the activity:

a. The placing of deposits requires the Treasury and Cashflow Manager to verbally (or by email) agree with the counterparty the amount, term selection and rate accepted.
b. At least two competitive quotes should be obtained before entering into any deposit over AUD1 million.
c. All work papers, including competitive quotes and market support are to be kept for inspection and review.

(15) As far as is practical, a key control is the segregation of execution, settlement and accounting functions such that no one individual is able to make, confirm, process and report on a transaction taken with an external party. To effect this control, the person responsible for deal origination with counterparties may not solely undertake the settlements procedure detailed below.

Settlements Procedure

(16) All transactions are to be confirmed and reconciled to external confirmations before settlement.

(17) All receipts due to the University must be received into authorised bank accounts as per standard settlement instructions (usually next day).

(18) The University is to provide its counterparties with a standard set of settlement instructions containing the following:

a. contact and correspondence details (email, phone, fax) for those responsible for arranging the deals;
b. details of the University's settlement bank accounts;
c. a list of authorised personnel and transactional limits if appropriate; and
d. specimen signatures of appropriate authorised personnel.

Foreign Exchange Transactions

(19) Currently the University does not undertake any foreign currency hedging activities. If a need arises, the University must:

a. advise the Finance Committee of its proposed action and reasoning behind it;
b. ensure that in principle approval of the Finance Committee is in place prior to hedging; and
c. develop adequate systems and controls in accordance with the Treasury Policy.

Section 5 - Implementation and Reporting

(20) A reporting structure is necessary to provide Council and management with adequate information to operate the University's treasury operations within high standards of governance and control. In addition, reporting must provide assurance that delegated authorities, limits and policies have been adhered to and that 'known risks' are within the levels approved.

Reporting

(21) The Chief Financial Officer will report to the Finance Committee and Council a minimum of once per annum. The following information should be considered for inclusion:

a. Listing of borrowings undertaken, facilities available and investment maturity profile.
b. Cost of funding and comparison against benchmark interest rates.
c. 12 month cash flow forecast, borrowing plan and foreign exchange projection (if relevant).
d. Bank covenant compliance.
e. Details of any breach of Treasury Policy.
f. Market valuations for any foreign exchange hedging contracts outstanding (if applicable).

Benchmarking

(22) The Vice-Chancellor can request the Treasury function be benchmarked against other similar sized University's from time to time.

Status and Details

Status	Historic
Effective Date	31st March 2023
Review Date	31st March 2024
Approval Authority	Council
Approval Date	31st March 2023
Expiry Date	12th August 2025
Custodian	Geoff Drummond Chief Financial Officer
Responsible Manager	Peter Shipp Deputy Director, Corporate Finance
Author	Peter Shipp Deputy Director, Corporate Finance
Enquiries Contact	Nick Markesinis Policy Manager --- Policy