

Financial Management Rule

Section 1 - Overview and Scope

(1) This Financial Management Rule and associated [Financial Management Policy](#) outline the aims, processes, roles and regulations in place to guide UNE and its controlled entities in ensuring appropriate and consistent financial and financial risk management.

(2) This Rule applies to all UNE Representatives involved in financial and financial risk management, particularly the following areas:

- a. risk appetite;
- b. liquidity and funding;
- c. interest rate management;
- d. foreign exchange transactions;
- e. investments;
- f. financial counterparties; and
- g. financial operational risk.

Section 2 - Principles

Principle 1 - UNE and its controlled entities manage their finances and financial risk in a manner that is prudent and cost effective, reflects the needs to stakeholders and assists in the achievement of strategic objectives.

(3) We observe this principle by:

- a. managing finances and financial risk in line with the objectives and values of UNE as outlined in the [UNE Strategic Plan](#);
- b. adopting a level of financial risk that is appropriate for a not-for-profit, government owned enterprise;
- c. ensuring adequate liquidity for all circumstances;
- d. maintaining a mix of fixed and floating interest rates on investments and debt, with a focus on maximising returns while limiting risk to an acceptable level;
- e. creating hedging strategies to lock in the \$A value of transactions;
- f. establishing an investment portfolio and management policy that reflect investment objectives and risk appetite;
- g. assessing the merits of any prospective investments within the framework of UNE's core values, specifically sustainability and ethical behaviour;
- h. limiting counterparty exposure based on credit ratings and institutional exposure limits; and
- i. using insurance where appropriate and applying controls to minimise the potential for financial loss through human error, fraud or inappropriate use of financial instruments.

Section 3 - Quality Assurance

(4) The Chief Financial Officer will report on financial management to the Finance and Infrastructure Committee and the Investment Sub-Committee at each meeting of those Committees, and to the Vice-Chancellor and Chief Executive Officer on the operation of, and compliance with this Rule and subsequent Policies.

(5) The [Financial Management Policy](#) provide additional information to support UNE Representatives' adherence to the required standards regarding financial management and financial risk management.

(6) UNE Representatives engaging in financial and financial risk management activities can seek advice and support from Finance.

Section 4 - Authority

(7) The Finance and Infrastructure Committee makes this Rule.

(8) This Rule operates as and from the Effective Date. Previous rules, policies and procedures related to financial management are replaced and have no further operation.

(9) The Steward for this Rule is the Chief Financial Officer.

Section 5 - Definitions

(10) Counterparty: the other party that participates in a financial transaction.

(11) Liquidity: funds where availability is both immediate and unrestricted.

(12) Risk Appetite: the level of financial risk that is accepted as being consistent with an organisation's goals.

Status and Details

Status	Historic
Effective Date	1st December 2020
Review Date	1st December 2022
Approval Authority	Finance and Infrastructure Committee
Approval Date	29th October 2020
Expiry Date	7th December 2023
Unit Head	Ilias Dimopoulos Head of Finance
Enquiries Contact	Office of the Chief Financial Officer