



NORTH-WEST UNIVERSITY[®]
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
INSTITUTIONAL OFFICE

Financial Policy

Reference number	4P/4
Accountable executive manager	Executive Director: Finance and Facilities
Policy owner	Institutional Chief Director: Finance
Responsible division	Financial Administration
Status	Approved by Council
Approved by	Council
Date of approval	23 November 2012
Amendments	This policy replaces the policy as first approved by Council on 23 November 2007.
Date of amendments	This policy was reviewed during 2012.
Review date	2014
Web address of this policy	http://www.nwu.ac.za/opencms/export/NWU/html/gov-man/policy/index.html
Address on the policy database	SHARE r:\2. management\2.1.3 policy development and review\2.1.3.2 review\database/policy documents\4P-4-financial_e.docm

Financial Policy

1 Preamble

As a pre-eminent university in Africa, driven by the pursuit of knowledge and innovation, with a unique institutional culture based upon the values the university espouses, the North-West University (NWU) has adopted this Financial Policy on 23 November 2012.

2 Policy statement

This financial policy enables Council to oversee the sustainable, responsible and effective management and reporting of the University's financial activities in terms of the Higher Education Act, the University's statute and this policy.

3 Application

The Financial Policy applies to all financial activities and transactions of the University and entities it controls, including all campuses. It is supported by all the relevant legislation applicable to the University as required by the SA Government, Department of Higher Education and Training and the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. By applying the Financial Policy the University aims to provide accurate information, which is presented in the annual financial statements of the university.

4 Objectives of the policy

With this policy the university wishes to:

- Assist managers and employees to assume responsibility and accountability for managing the activities of the University;
- assist the Council by ensuring the integrity, completeness and accuracy of financial data recorded in the financial systems of the University;
- assist managers and employees in establishing a sound control environment for employees and limiting the risks involved in performing their financial duties;
- promote compliance with relevant laws, regulations, and accounting and reporting standards; and
- promote consistent financial practices, operational efficiency and best practice across the University.

5 Financial principles

5.1 Financial rules, manuals and procedures

This Policy should be read in conjunction with the University's financial guidelines, manuals and procedures for specific activities.

5.2 Financial statements

Financial statements form part of the process of financial reporting and are based on the information used by management about the financial position, performance and changes in financial position of the University.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. The consolidated financial statements are also in accordance with the requirements set by the Minister of Education in terms of Section 41 of the Higher Education Act (Act 101 of 1997 (as amended)).

The Council, through the Audit, Compliance and Risk Management Committee of Council, is responsible for the authorisation of financial statements.

The financial year ends on 31 December of each year.

5.3 Underlying assumptions for recording of financial transactions

All financial transactions and events are recorded in the financial system of the University to represent a true and fair view of the financial position, performance and changes in the financial position of the University in any financial year.

All financial transactions are based on the following assumptions:

5.3.1 Accrual basis

The effects of transactions and other events are recognised when they occur and not when cash is actually received or paid and are reported in the financial system of the University in the periods to which they relate.

5.3.2 Reliability of information

To be useful, information must be free of potentially misleading errors and dependable to the users of the financial figures.

5.3.3 Substance over form

It is necessary that transactions and other events are accounted for and presented in accordance with their substance and economic reality and not merely their legal form.

5.3.4 Completeness

Information recorded in the financial system must be complete and accurate in terms of the transaction.

5.3.5 Best interest of the University

Every employee has the responsibility always to deal with all activities, transactions and events in the best interest of the University and to protect all assets of the University.

5.4 Basis of consolidation

The financial statements are prepared on a consolidated basis, which focuses on all the University's activities and entities in accordance with the **Accounting Policy**.

5.5 Retention of financial records

Financial records shall be maintained in terms of the University's **Records Management Policy**.

5.6 Authorisation levels

Approval of transactions shall be in accordance with the Authorisation Levels as approved by the Council.

5.7 Conflict of interest

Conflicts of interest are regulated in accordance with the **Conflict of Interest Policy**.

5.8 Delegation of duties

No single individual shall have complete control over any financial transaction. All aspects of a financial transaction will be subjected to appropriate control measures.

5.9 Delegation of responsibilities

Tasks shall only be delegated to qualified persons who are actively involved in the tasks being performed, have the appropriate knowledge and technical skills to perform the tasks, including knowledge of relevant regulations and policies, and have the authority to carry out the tasks, provided that accountability cannot be delegated.

5.10 Data integrity

Each division shall establish and implement procedures to ensure data integrity and every transaction shall be recorded in the university's financial system in a complete, accurate and timely manner.

5.11 Confidentiality of financial information

All financial information of the University is confidential and will only be disclosed to external parties after verification by the Internal Audit Department.

5.12 Recording of financial information for divisions using separate financial recording systems

Any separate financial system shall be pre-approved by executive management. Transactions reflected in such separate financial system must be recorded in the University's financial system in an agreed way by the relevant division within the month in which it was transacted.

5.13 Bank accounts

No division shall be allowed to open a bank account without the prior authorisation of the Executive Director: Finance & Facilities or his delegate.

5.14 Internal controls

Managers shall ensure that appropriate policies and procedures with respect to financial controls are implemented and complied with by every employee. Each employee shall report internal control deficiencies to his immediate line manager and to Internal Audit.

5.15 Internal auditing

Internal Audit activities shall be performed in terms of the Internal Audit Charter approved by Council.

5.16 External auditing

Council appoints external auditors annually to perform the statutory audit. Other specifically agreed upon procedures shall be allocated to external auditors as may be required by Executive Management from time to time.

5.17 Reporting and investigation of fraud and misconduct

Misdemeanours such as theft, fraud and corruption are treated and dealt with as serious misconduct in terms of the University's disciplinary codes and procedures. Every employee must report any questionable conduct with respect to financial matters to Internal Audit. The University has the obligation to report financial misdemeanours as required by legislation.

6 Enquiries

Institutional Chief Director: Finance