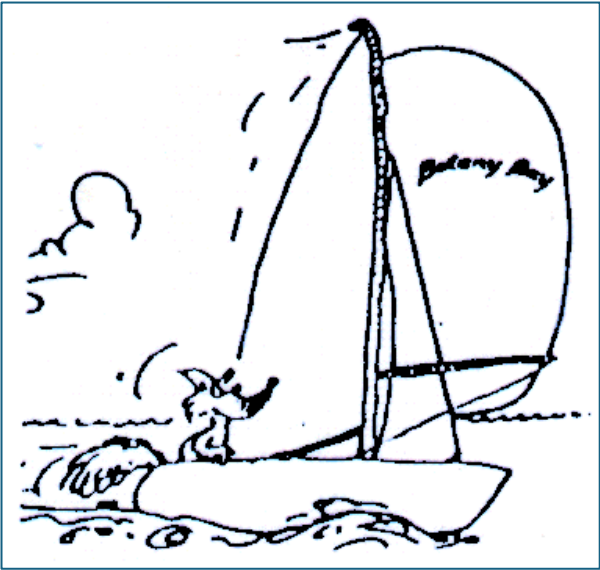




# Sailingworld Pty Ltd

ACN:092 478 718



## POLICY FINANCIAL MANAGEMENT

Status	Current
Version	1-2024
Last review date	30 August 2024
Reviewed by	Sailingworld CEO
Summary of changes from previous version	Minor amendments post-annual review



## FINANCIAL MANAGEMENT POLICY

### PURPOSE AND SCOPE

**1.1** Sailingworld is committed to establishing a long-term presence in the vocational education and training sector, as a provider of quality training and assessment services. A key factor in attaining this aim is the ongoing financial stability and wellbeing of Sailingworld, resulting from careful, responsible and hands-on financial management, aligned to the business goals, the nature of its operations and the nuances of the market in which it competes

**1.2** This policy ensures that Sailingworld uses efficient financial management practices and systems complying with The Standards for RTOs (2015).

### POLICY STATEMENT

**1.3** Sailingworld will ensure that it maintains sound financial practices, ensuring the financial security of the RTO and enabling its ongoing viability, profitability and growth. Conservatism will prevail as the key influence over financial decisions. Equally, an uncompromising commitment to integrity and professionalism will remain the keystone to all finance, banking, investment and general business transactions.

Sailingworld will:

- Ensure it complies with the “Financial Viability Risk Assessment Requirements”;
- Implement and maintain effective business planning and financial management processes;
- Ensure that accounts are certified by a qualified accountant (Certified to Australian Accountant Standards) at least annually and are made available to the VET Registration body upon request;
- Ensure that a full financial audit of the RTOs financial accounts from an independent qualified accountant (Certified to Australian Accountant Standards) is obtained and made available to the VET Registration body upon request;

### OBLIGATIONS

**1.4** Intent:

- The VET Regulator can request Sailingworld to demonstrate its financial viability at any point in time.
- The assessment of the ‘Financial Viability’ by the VET Regulator is directed at evaluating the likelihood of Sailingworld business continuity, and its capacity to achieve quality outcomes. The assessment informs a judgement about whether Sailingworld has the financial resources necessary to:
  - Acquire the requisite assets and physical resources to deliver all qualifications on its scope of registration;
  - Employ sufficient appropriately qualified staff to cover the courses for which it takes enrolments;
  - Provide appropriate levels of student services to students;
  - Remain in business to ensure that each student can achieve completion;
  - Meet the above requirements even in an unsure environment.

**1.5** Obligation to submit assessment:



- Sailingworld must submit an assessment of financial viability risk by a qualified independent financial auditor nominated by the VET Regulator at any time during the registration period.

#### 1.6 Indicators for assessment:

- The assessment will be undertaken by assessing common indicators of financial performance and position. These may include, but are not limited to:
  - Liquidity – including current ratio and cash flow assessments;
  - Solvency – including debt to assets assessment, debt to equity assessment;
  - Economic Dependency (e.g. reliance upon government funding or a particular cohort of clients);
  - Revenue, profit and cash flow;
  - Commercial risk
  - Audit opinion;
  - Contingencies;
  - Compliance with all statutory obligations (e.g. GST, taxation, superannuation)
  - Compliance with accounting standards;
  - Accounting policies – impact of organisation accounting policies on its financial risk.

#### 1.7 Information to be assessed:

- Information that could be used to assess the common indicators may include, but are not limited to:
  - Independent review of financial projections, including underlying assumptions;
  - Business planning, including forecast income streams and forecast expenditure;
  - Assets and liabilities;
  - Financial statements audited by an independent qualified auditor;
  - Financial records for the previous 12 months, including profit and loss, balance sheets;
  - Cash flow and bank accounts;
  - Short term budgets and forecasts, including assumptions;
  - Information on current and projected student enrolments, including assumptions;
  - Tax records;
  - Information about current debts and debtors, credit and creditors, loans and repayments;
  - Plans, and information on any legal disputes;
  - Inter-company dealings, transfers, ownerships and loans;
  - Contingent liabilities;
  - Ultimate ownership details;
  - Post reporting activities.

## PRINCIPLES

1.8 Sailingworld aims to maintain a sound financial position, which facilitates its stability, planned business growth and profit projections through:

- Business planning, including forecast income and expenditure;
- Monitoring Cash flow;
- Formulation of and adherence to annual budgets;



- Ongoing reinvestment in the business to ensure it remains well-resourced to meet client needs;
- Maintenance of adequate cash reserves to meet planned commitments, as well as unforeseen events;
- Striving to remain debt free as part of its overall strategy of optimising return on investment and consequently maintaining price competitiveness;
- Careful safeguarding of assets, via comprehensive insurance and security measures.

**1.9 Asset management:**

- Acquisitions of assets are in accordance with strategic planning, training and assessment strategies and budgetary considerations.
- Projected budget for asset acquisition will be included in annual strategic planning and the overall viability review for individual projects.

**ROLES AND RESPONSIBILITIES**

**1.10** The Sailingworld CEO is responsible for the application of this Policy

**1.11** The Sailingworld CEO is responsible for:

1. Ensuring compliance with financial management policies, procedures and systems.
2. Ensuring compliance with Financial Viability Risk Assessment Requirements 2011.
3. Monitoring and reporting on compliance with these financial management policies and procedures.
4. Undertaking reviews of the effectiveness of the policies, procedures and systems annually and to use the results of such reviews to drive further improvements.
5. When requested, provide VET Registration body with a formal assurance that Sailingworld has sound financial management standards for matters relating to the Scope of Registration and scale of operations.



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