

Financial Management Policy

1. Introduction

1.1 One Mission Society Australia Inc (**OMS**) is committed to ensuring that all funds and assets obtained by OMS are used only to further the purpose of OMS and are done so in a responsible manner.

2. Purpose

2.1 The purpose of this policy is to clearly state how the funds of OMS are managed and to prevent fraud or error.

3. Scope

3.1 This policy applies to Board members, CEO and staff of OMS.

4. Regulatory context

4.1 As a registered charity, OMS is required by the ACNC Governance Standards to ensure that its funds are used for its charitable purpose. Board members are also required to act with reasonable care skill and diligence, ensure financial affairs are managed responsibly and prevent insolvent trading.

4.2 OMS has additional obligations under the External Conduct Standards as a registered charity with overseas activities. This includes:

- (a) taking reasonable steps to:
 - (i) ensure resources and funds are being used consistently with OMS's charitable purpose and character as a not for-profit entity;
 - (ii) minimise the risk of corruption, fraud, bribery or other financial impropriety within OMS; and
- (b) maintaining reasonable internal control procedures relating to resources and funds.

5. Responsibilities

5.1 It is the responsibility of the Board to ensure that:

- (a) Board members, staff and volunteers are aware of this policy; and
- (b) any breaches of this policy that come to the attention of the Board are dealt with appropriately.

5.2 It is the responsibility of the CEO to ensure the Board has the information and reports required to assess the use of OMS funds.

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6. Policy

- 6.1 OMS must use its funds (and ensure that its funds are used by third parties with whom it collaborates) only to further the purpose of OMS and not for personal use or gain.
- 6.2 OMS funds and assets must be dealt with in a responsible manner, being reasonable and authorised.
- 6.3 OMS will operate according to a budget.
- 6.4 OMS will take steps to ensure funds transferred overseas are received and accounted for.
- 6.5 OMS will keep financial records.

7. Annual budget

- 7.1 It is the responsibility of the Board to conduct a budget planning process each year as part of its annual strategic planning.
- 7.2 The budget is to be regularly monitored and reviewed.
- 7.3 The budget must include country by country provision for overseas programs.
- 7.4 OMS's budget must be flexible in responding to unforeseen events, including possible reductions in cash flow.

8. Expenditure

- 8.1 All decisions about expenditure must be approved by a majority of the Board or staff to whom the Board has delegated the responsibility.

9. Cheques

- 9.1 Cheques must be signed by two eligible signatories. The Board is to appoint eligible signatories from among the Board.
- 9.2 Cheques must be documented adequately. A list of all cheques issued each month, featuring amount, recipient, signatures and explanation must be recorded.

10. Bank

- 10.1 All money is to be stored in a bank account or accounts in the name of OMS.
- 10.2 Four individuals nominated by the Board are to be the eligible bank signatories.
- 10.3 Withdrawals or electronic transfers made from OMS's bank accounts must be approved by at least two employees specifically authorised by the Board.

11. Overseas transactions

- 11.1 Funds transferred outside of Australia must be transferred using a formal banking system where available.

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- 11.2 The CEO or their delegate must obtain and verify written confirmation that the funds transferred have been received.
- 11.3 If formal banking systems are not available due to geographical, political, social, economic or other reasons, funds may be transferred by other means providing:
 - (a) a risk assessment is undertaken;
 - (b) the Board approves the transfer; and
 - (c) confirmation of receipt is obtained.

12. Financial Management - third party programs

- 12.1 OMS pursues its charitable purposes in part through collaborating with a third party or third parties to deliver programs overseas.
- 12.2 OMS is required by the ACNC External Conduct Standards (**ECS**) to ensure that resources given to third parties are applied with reasonable controls and risk management processes in place.
- 12.3 As part of its ECS risk assessment, the Board must determine what level of oversight it requires in relation to the financial management of third parties, with reference to matters including the:
 - (a) level of risk associated with the operations;
 - (b) relationship with the third party;
 - (c) financial management procedures within the third party; and
 - (d) consequences of poor financial management by third parties.
- 12.4 The Board must consider whether it is appropriate to:
 - (a) impose financial management obligations on third parties through a Memorandum of Understanding or other agreement;
 - (b) offer training to third parties on financial management;
 - (c) require third parties to produce a financial management policy or procedure (or provide one for them to adopt); and/or
 - (d) implement OMS's own controls and monitoring systems to oversee the third party's financial management.

13. Financial records

- 13.1 OMS must retain financial records for seven years that correctly record and explain:
 - (a) how OMS spends or receives its money or other assets; and
 - (b) OMS's financial position and performance.

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13.2 The financial records should allow for true and fair financial statements to be prepared, audited or reviewed (as required).

13.3 For operations and activities outside of Australia, financial records showing income and expenditure must be prepared on a country by country basis.

14. Compliance with this policy

14.1 The Board must comply with this policy and review compliance as part of its standard self-evaluation.

14.2 If the CEO or Board have reason to believe that this policy has not been complied with, they must investigate.

15. Related policies

15.1 Credit Card Policy

15.2 Reimbursement of Expenses Policy

15.3 Cash or In Kind Donations Policy

15.4 Financial Reserves and Investment Planning Policy

15.5 Fraud Prevention and Risk Management Policy

15.6 Procurement and Acquisition Policy

16. Authorisation

(Signed)

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