

FINANCE POLICY

1. Purpose

To ensure that South East Water's finances are managed:

- in an economically responsible manner,
- as efficiently as possible and consistent with commercial practice,
- in compliance with all relevant legislation, standards and policies, and
- in a manner that promotes a culture of financial responsibility in all decision-making.

2. Scope

This policy applies to South East Water and its subsidiary, Iota Services Pty Ltd, and must be observed by all directors, employees, agents, contractors and other workers. References in this policy to South East Water are taken to include Iota Services Pty Ltd, unless the context otherwise requires.

3. Policy Statement

South East Water is committed to:

- Maintaining its financial integrity through open and transparent financial and management reporting processes;
- Producing relevant and timely financial information to enable proper monitoring and control of financial performance and prompt decision-making;
- Implementing and complying with all applicable Victorian government policy frameworks relating to the requirements of the *Financial Management Act 1994* (FMA) and associated directions issued under section 8 of the FMA;
- Maintaining and promoting sound systems of internal compliance and control to ensure effective and efficient financial governance;
- Ensuring financial systems are managed effectively to meet business needs, stakeholder requirements and compliance obligations;
- Proactively managing all external financial reporting, taxation, legislative and regulatory obligations;
- Complying with and supporting external audit programs initiated by the Victorian Auditor-General's Office;
- Managing sound and robust internal audit programs that add value and contribute to good corporate governance;
- Managing, within board-approved policies, treasury obligations, liquidity and interest rate risks;
- Driving and maintaining efficient business operations that underpin a sustained growth of business value;
- Formulating short and long-term financial plans in-line with corporate plans and strategies;
- Demonstrating and promoting a culture that contributes to sound financial management and acceptable shareholder returns;
- Maintaining appropriate due diligence and risk management strategies in respect of commercial activities;

- Promoting sustainable procurement practices that deliver value for money, encourage open and fair competition and cover the full acquisition lifecycle. This includes better whole of life value for money outcomes and improved accountability and transparency; and
- Full compliance with all government financial policies (particularly DTF approvals), guidelines and procedures.

4. Related Policies

- BS 2444 *Compliance Policy*
- BS 2677 *Procurement Policy*
- BS 2310 *Treasury Policy*

5. Enacting Legislation and Related Documents

- Water Act 1989 (Vic)
- Financial Management Act 1994 (Vic)
- Standing Directions of the Minister for Finance under the Financial Management Act 1994
- Statement of Obligations
- Department of Treasury and Finance (DTF) Treasury Management Guidelines
- DTF Corporate Planning and Performance Reporting Requirements
- Australian Accounting Standards

6. Accountability

The Managing Director is accountable to the Board of Directors for ensuring this policy is implemented and adhered to.

7. Approval

Approved by: South East Water Board of Directors
 Approved on: 27 March 2017
 Sponsor: General Manager, Corporate and Commercial
 Implementer: Group Manager Commercial
 Review date: 27 March 2019