PP27 – Financial Viability Monitoring Policy

1. Purpose

This policy outlines Austra College's approach to financial viability monitoring, ensuring compliance with Outcome Standard 4.3 and the Financial Viability Risk Assessment Requirements under section 158 of the National Vocational Education and Training Regulator Act 2011. Austra College aims to maintain a financially stable operation that can meet obligations to students, staff, and regulators.

2. Scope

This policy applies to:

- The CEO and financial staff responsible for budgeting and financial oversight.
- Governing persons involved in high-level financial decision-making.
- External auditors and consultants engaged to verify or review financial status.

3. Definitions

Term	Definition
Financial Viability	The ability of the organisation to generate sufficient income to meet operating payments, debt commitments, and investments.
Financial Viability Risk Assessment (FVRA)	The evaluation framework mandated under the NVETR Act for assessing a provider's financial health.
Cash Flow Forecasting	Predicting future financial liquidity based on expected income and expenditure.
Financial Position	The current state of assets, liabilities, and equity as presented in balance sheets.

4. Legislative References

- Standards for RTOs 2025 – Outcome Standard 4.3
- National Vocational Education and Training Regulator Act 2011 – Section 158
- Financial Viability Risk Assessment Requirements (F2011L02730)

5. Policy Statement

Austra College will:

- Maintain accurate and current financial records.

- Monitor income, cash flow, and liabilities on a monthly basis.
- Ensure that governing persons understand and can interpret financial data.
- Prepare for and respond to audits by maintaining full transparency and documentation.
- Use financial data to inform continuous improvement and strategic decisions.

6. Procedure – Step-by-Step

Step	Action	Responsible Person
1	Maintain monthly financial records: income statements, balance sheets, cash flow reports	CEO
2	Review financial position at the end of each month	RTO Manager/ CEO
3	Conduct quarterly financial forecasting and budgeting to ensure sustainability	CEO
4	Ensure the CEO and governing persons receive a financial briefing each quarter	RTO Manager
5	Conduct an internal financial audit annually, including a reconciliation of student fees	RTO Manager
6	Assess financial viability risks based on FVRA criteria and update mitigation strategies	RTO Manager
7	If risks identified, initiate contingency planning and budget adjustments	CEO
8	Provide financial documentation during re-registration, change of scope, or upon ASQA request	RTO Manager/ CEO
9	Document all financial reviews and decisions	RTO Manager/ Admin Officer

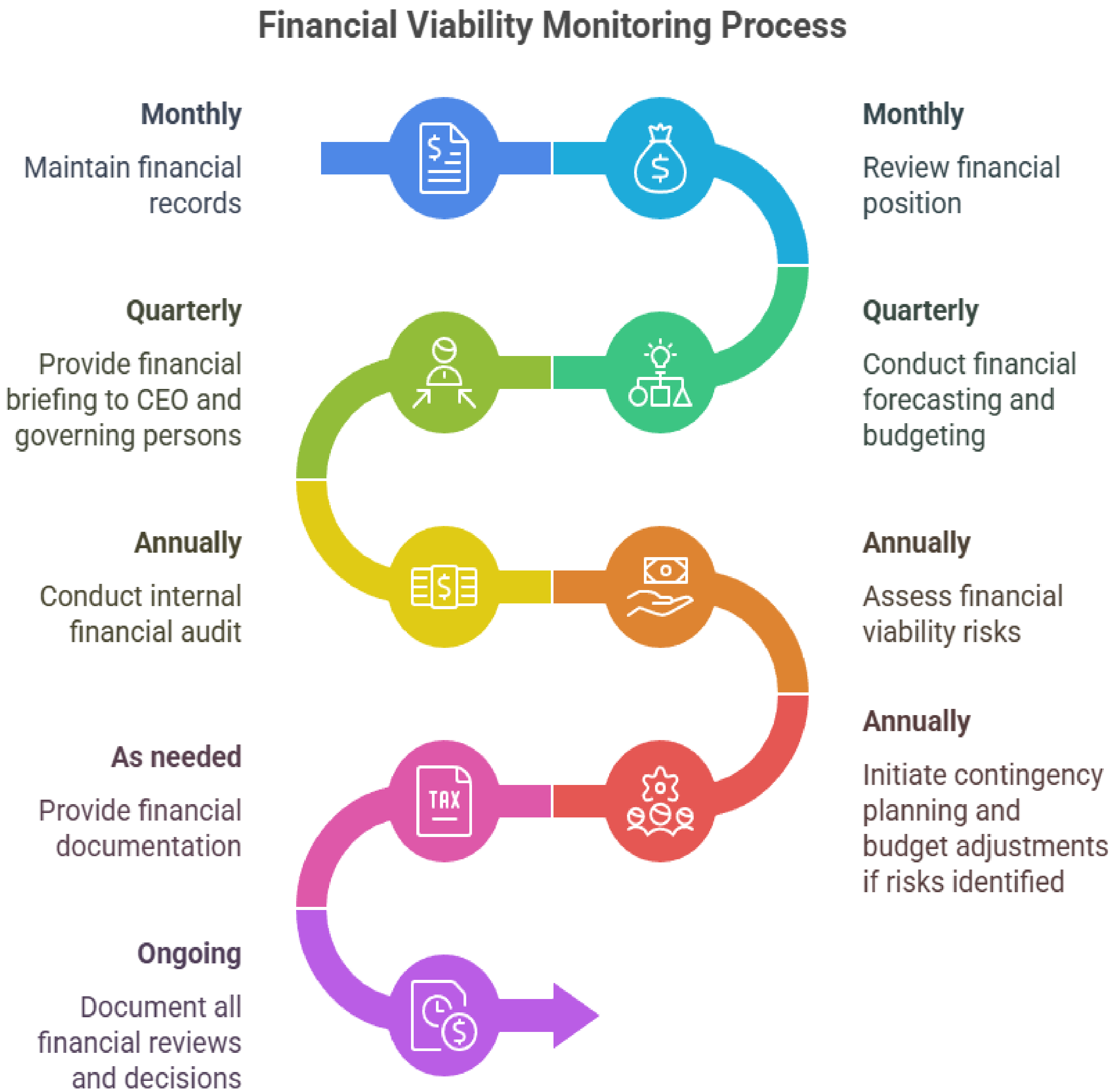
7. Monitoring and Review

- This policy is reviewed annually or when a significant financial risk is identified.
- The CEO is responsible for ensuring all financial obligations and reporting standards are met.

8. Related Documents

- Financial Viability Risk Assessment Requirements
- Monthly and Quarterly Financial Reports
- Strategic and Operational Budget
- Cash Flow Forecasting Sheet

9. Flow chart


Financial Viability Monitoring Process
Monthly
Maintain financial records
Monthly
Review financial position
Quarterly
Conduct financial forecasting and budgeting
Quarterly
Provide financial briefing to CEO and governing persons
Annually
Conduct internal financial audit
Annually
Assess financial viability risks
Annually
Initiate contingency planning and budget adjustments if risks identified
As needed
Provide financial documentation
Ongoing
Document all financial reviews and decisions
TAX