



Ice Hockey New South Wales Financial Management and Fraud Protection Policy

Policy Name:	Financial Management and Fraud Protection Policy
Date of Approval:	30/04/2025
Policy Coverage:	This policy sets forth the measures IHNSW takes to safeguard its financial operations and to ensure the responsible handling of funds in compliance with legal and best practice standards.
Date of Review:	29/04/2027

1 Introduction

1.1 Purpose

The purpose of this Financial Management and Fraud Protection Policy is to ensure that Ice Hockey New South Wales (IHNSW) manages its financial resources in a transparent, accountable, and ethical manner, and to protect the organisation against fraud, mismanagement, and financial risks.

1.2 Scope

This policy applies to the Executive Officer, Executive Committee, other staff, and anyone else handling or overseeing IHNSW's financial activities.

It covers the processes related to payments, transactions, financial oversight, auditing, and conflict of interest management within the organisation.

1.3 Key Principles

IHNSW adheres to the following principles in managing its finances:

- *Transparency*: All financial transactions are conducted openly and documented accurately.
- *Accountability*: Individuals with financial responsibilities are held accountable for their actions.
- *Integrity*: IHNSW promotes ethical conduct in all financial dealings.
- *Confidentiality*: Financial information is kept confidential and only shared with authorised individuals.

2 Definitions

2.1 In this policy the following words have the corresponding meaning:

Conflict of Interest Register: A document where executive members and officers disclose any personal, financial, or professional interests that could potentially influence their decision-making, particularly in matters involving the financial or operational activities of IHNSW.

Executive Committee: A group of elected or appointed individuals responsible for overseeing the governance and strategic direction of IHNSW.

Executive Members: Members of the Executive Committee, including but not limited to the President, Treasurer, Secretary, and other Board-appointed positions, who are responsible for making major financial and operational decisions.

Executive Officer: A paid employee appointed by the IHNSW Executive.

External Auditor: An independent third-party professional or firm engaged to conduct an annual audit of IHNSW's financial statements and provide an objective assessment of the organisation's financial health and practices.

Ice Hockey New South Wales: New South Wales Ice Hockey Association Inc., also referred to as IHNSW and Ice Hockey NSW.

Majority Vote: A decision-making process where an action is approved if more than half of the eligible voting members of the Executive Committee agree to it.

Two-Factor Authentication (2FA): A security process that requires two different forms of identification before access is granted to systems or authorisation is provided for transactions. Typically, this involves something you know (e.g., a password) and something you have (e.g., a phone or hardware token).

Xero: A cloud-based accounting software platform used by IHNSW for financial management, including tracking income, expenses, and financial reporting. Xero provides real-time access to financial data for authorised users.

3 Financial Management Procedures

3.1 Payments and Transaction Approval

- All payments made by IHNSW are subject to dual approval, in accordance with the principle of *separation of duties*, to reduce the risk of errors and fraud.
- *Two-Factor Authentication (2FA)*: All payments are made using a two-factor identification system to ensure secure transaction approval. This process requires dual authentication, which must be completed by two separate executive members before any payment is processed.
- *Xero Access*: All executive members and the Executive Officer have access to *Xero*, IHNSW's accounting software, to track, manage, and review financial transactions. Access to Xero is restricted and managed by the Executive Officer and requires a unique login for each member.

3.2 Authorisation of Payments

- Payments must be authorised by at least *two signatories* of IHNSW before funds are transferred. Each payment must be supported by valid documentation such as invoices, receipts, or contracts.
- The Executive Officer, in consultation with the executive members, will ensure that all payments are aligned with the organisation's budget and financial strategy.

3.3 Approval of Expenses via Executive Committee Vote

- **Expense Approval Process**: All significant expenses (**those above a defined threshold, to be set by the Board, how much is this?**) must be approved by the Executive Committee through a majority vote. This ensures that financial decisions are made collaboratively and with proper oversight.
- **Voting Process**: Expenses are submitted to the Executive Committee for consideration, and a majority vote is required to approve the expenditure. In cases where a member of the committee has a conflict of interest related to the expense, they will be recused from the vote.
- This approval process applies to both budgeted and unbudgeted expenses, ensuring that the financial integrity of IHNSW is maintained across all areas of expenditure.

3.4 Budgeting and Financial Planning

- IHNSW operates within an annual budget, developed and approved by the IHNSW Executive Committee. The budget is reviewed regularly, and any adjustments must be approved by the Board to ensure responsible financial management
- The IHNSW Executive have access to Xero to track expenditure against budgeted amounts and to ensure financial decisions align with the organisation's long-term goals.

3.5 Board Member Expenses

- Board members may claim reasonable expenses incurred while performing official IHNSW duties, in accordance with the *IHNSW Board Expense Policy*. All claims must follow the approval and reimbursement process outlined in that policy.

4 Prevention Measures

4.1 Internal Controls

- To safeguard against financial fraud or mismanagement, IHNSW has implemented robust internal controls:
- *Dual Approval System*: As stated, all payments require dual authorisation from two Authorised signatories made up from Executive Officer and Members of the Executive to reduce the risk of fraudulent transactions.
- *Transaction Monitoring*: The Executive Officer and Board will regularly monitor financial transactions within Xero to ensure there are no discrepancies or unusual patterns.

4.2 Use of External Auditor

- IHNSW employs an *external auditor* to conduct a full audit of the organisation's financial records annually. The external auditor ensures that IHNSW's financial activities comply with accounting standards and are free from fraud, misappropriation, or errors.
- The external auditor provides an independent, third-party review of the organisation's financial statements and offers recommendations for improvements if necessary.

4.3 Conflict of Interest Management

- Following the IHNSW Conflict of Interest Policy
- All incoming executive members and IHNSW executives are required to complete a *Conflict of Interest Register* and anytime a new conflict arises, this item will be a monthly item on the executive meeting agenda. This register helps identify any potential conflicts between personal interests and IHNSW's financial dealings.
- *Disclosure of Interests*: Executive members must disclose any personal or financial interests that could influence their decision-making, particularly in relation to contracts, sponsorships, or financial decisions involving external parties.
- *Resolution of Conflicts*: Any conflicts identified must be addressed promptly, and in cases of significant conflict, the involved individual may be recused from voting or decision-making processes related to that conflict.

5 Financial Oversight and Reporting

- 5.1 *Executive Oversight*: The *IHNSW Executive* is responsible for overseeing financial decisions, ensuring compliance with this policy, and making high-level financial decisions. They will receive *monthly financial reports* that outline income, expenses, and cash flow.
- 5.2 *Executive Officer's Role*: The *Executive Officer* is responsible for the day-to-day financial management, ensuring that all policies are followed and financial transactions are accurately recorded.

6 Fraud Reporting and Investigation

- 6.1 *Reporting Fraud*: Any suspected fraud, financial misconduct, or breach of financial policies should be reported immediately to the *IHNSW Executive* or *Executive Officer*. This can be done confidentially, and there will be no retaliation for individuals who report in good faith.

- 6.2 *Investigation Process*: In the case of suspected fraud or financial misconduct, the Board will initiate an investigation. This may include internal reviews, consultations with the external auditor, and taking corrective action if required.

7 Training and Awareness

- 7.1 To ensure that everyone involved in financial management is well-equipped to follow this policy:
- *Financial Management Training*: All executive members and relevant staff will receive regular training on financial management best practices, fraud prevention, and the use of financial systems (e.g. Xero).
 - *Ongoing Awareness*: The policy will be reviewed annually to ensure its relevance and effectiveness. All executive members will be reminded of their responsibilities under this policy.

8 Compliance

- 8.1 IHNSW complies with all relevant NSW Government regulations, taxation laws, and *financial reporting standards*.
- 8.2 This policy is aligned with best practices in financial management and risk mitigation.

9 Review and Updates

- 9.1 This *Financial Management and Fraud Protection Policy* will be reviewed biennially by the IHNSW Executive and updated as necessary to reflect changes in financial laws, organisational structure, or risk management practices.

10 Conclusion

- 10.1 This policy ensures that Ice Hockey New South Wales operates with the highest standards of financial integrity, protecting the organisation and its stakeholders from fraud and mismanagement.
- 10.2 Through rigorous financial oversight, clear processes for payment and authorisation, and ongoing training, IHNSW strives to maintain a secure financial environment.

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