

Stratford Primary School: Policies

400 Finance Operational Policies (Including Sensitive Expenditure)

1. **Financial Planning Policy:**

The Stratford Primary School Board has overall responsibility for the financial management of the school but delegates the day-to-day management of the school's finances and budget to the Principal. The Principal, in association with the Finance Committee, is responsible for recommending an annual operating and capital budget to the board within the timelines specified in the Finance Committee terms of reference.

Budgeting shall not fail to reflect the annual plan, risk financial jeopardy nor fail to show a generally acceptable level of foresight.

Thus the budget should:

- Reflect the results sought by the Board
- Reflect the priorities as established by the Board
- Comply where the Board's requirement is for a balanced budget
- Demonstrate an appropriate degree of conservatism in all estimates.

Review schedule: Triennially

2. **Asset Protection Policy:**

Assets may not be unprotected, inadequately maintained or unnecessarily risked. The Principal is delegated day to day responsibility for ensuring that the programming and funding of general maintenance of the school grounds, buildings, facilities and other assets occurs in order to provide a clean, safe, tidy and hygienic work and learning environment for students and staff. Accordingly, the Principal must:

- Insure all Board assets
- Not allow unauthorised personnel or groups to handle funds or school property
- Not subject plant and equipment to improper wear and tear or insufficient maintenance or inappropriate use
- Maintain an up to date **Asset Register** for all items of furnishing, plant machinery, equipment, text and library books costing more than **\$1000**.
- Ensure the implementation of the **10 Year Property Maintenance Plan**
- Engage sufficient property maintenance staff for the school within budget limitations
- **Receive Board approval for maintenance contracts over \$5000** for any one contract
- Conduct competitive tenders for all contracting as per Ministry of Education Guidelines.
- Protect intellectual property, information and files from loss or significant damage or unauthorised access or duplication.
- Not receive, process or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.

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- Not invest or hold operating capital in insecure accounts, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.

3. **Managing Income and Expenditure:**

Financial summaries and reporting:

The Public Finance Act 1989 and the Education and Training Act 2020 require schools to meet reporting and auditing requirements.

- Financial summaries for the reporting period must be tabled at each Board meeting for ratification.
- Financial reports must be given to every board member at least four days before any planned Board meeting.
- The audited annual financial report is adopted by the Board. The Principal and Board Presiding Member sign the Statement of Financial Responsibility. A copy of the most recent report is available to members of the school community and published online.
- The annual report, including the analysis of variance and audited financial statements, is uploaded to the Ministry of Education portal by 31 May.
- All financial records are available to board members.

Audit:

The school-appointed auditor meets or corresponds each year with the Office Manager, the Principal, and the Board representative to assess and monitor the school's financial performance and position, systems of internal controls, and related matters. Every three years the Board and Office of the Auditor General confirm and update the audit agreement.

Segregation of duties:

Segregation of duties enhances effective internal control, reduces the risk of mistakes, and helps prevent Theft and Fraud (See below for the Theft and Fraud Prevention Policy).

As a guide, the following functions should be segregated for most transactions:

- Initiation (completing a purchase order)
- Approval (authorising a purchase order and payment of an invoice)
- Accounting/reconciling (recording the transaction in the ledger, and month-end reconciliation process)
- Receiving money
- Depositing money.

If segregation of duties is not possible, the Principal undertakes more detailed checking of each step of the school's processes, or a Board member can be appointed as a further level of control for day-to-day expenditure. For internal control assessment tools, see [Internal Control Resources](#).

Banking: Cash handling

- Only delegated staff handle cash.
- All cash received is paid to the school office and properly receipted, either to the individual, or as a bulk receipt initialled by the depositor.
- Cash received may not be used to pay other accounts, in cash.
- All cash is banked as soon as practically possible, and any kept on the premises is stored securely in the safe.

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- Petty cash is limited to \$150 and reconciled monthly.
- Reimbursement claims from the petty cash fund must be for actual expense, accompanied by a receipt, approved petty cash voucher, and any unspent cash within two working days of the advance.

Banking: EFTPOS transactions

EFTPOS is available in the school office for payments relating to school business.

- Cash withdrawals or issuing of cash change is not available.
- Credit card transactions are not available.
- EFTPOS receipts and transaction reports are kept with the financial documents.

Banking: Online banking

Other than cash receipts, other monies collected from families come through online banking.

- Only authorised staff can access online banking facilities.
- Authorisation of invoices for payment is made by the Principal or other delegated staff member.
- Online banking transactions are approved by delegated staff members, checked by the Finance Committee and paid by Education Services.
- Online banking transactions are subject to normal documentation requirements prior to being processed and all our records are stored securely.
- Passwords are kept safe.
- The school carries out regular monitoring and reconciliation of online banking transactions.

Banking: Term deposits:

The Principal liaises with the Finance Committee to manage term deposits.

Banking: Borrowing

Stratford Primary School always gets joint approval from the Ministers of Education and Finance before it borrows money (including finance leases) where the total annual debt servicing is more than 10% of the school's operational grant for the year.

4. Schedule of Responsibilities:

The list below shows financial tasks alongside the person responsible for carrying out each task. This Schedule is supplementary to the School's Schedule of Delegations, and when carrying out these tasks trustees, staff, contractors and volunteers must not exceed the authority delegated to them via their memorandum of delegation.

<u>Banking and cash handling:</u>	
What	Who
Opening mail	Office Administrator or Office Manager
Receipting the cash and cheques received	Office Administrator or Office Manager
Receipting of all student cash received	Office Administrator or Office Manager

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Preparation of banking	Office Administrator or Office Manager
Signature of bank deposit	Office Administrator or Office Manager
Deposit of banking	Opposite person to who prepares banking
Reconciliation of receipts for banking	Office Administrator or Office Manager
Periodic bank reconciliation	Office Administrator/Office Manager/ sent to Ed Services for certification
Final Certification of bank reconciliation	Education Services
Custody of cash: Kept in the school safe with keys removed in separated marked bags/envelopes	Office Administrator/Office Manager
<u>Petty cash: What</u>	Who
Authorising reimbursement of petty cash claims/vouchers	Principal/Deputy Principal
Reconciling petty cash balance	Office Manager /Office Admin /Principal/ Deputy Principal/Assistant Principal
Signing petty cash top-up withdrawal slip	Office Manager/Principal/DeputyPrincipal/Assistant Principal
<u>Purchases and payments: What</u>	Who
Raising purchase orders – paper, phone or internet	Office Administrator or Office Manager
Verifying receipt of goods or services	Office Administrator or Office Manager
Approval of invoices for payment	Principal/Finance Committee/Presiding Member
Signing approving bank payment	Office Manager/Principal/Deputy Principal/ Assistant Principal/Presiding Member
<u>Investments: What</u>	Who
Transfer to and from general, at-call and term deposit accounts	Principal/Finance Committee
Reconciliation of transfers	Principal/Finance Committee
<u>Accounting system: What</u>	Who

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Accounting systems daily back-up	ICT Administrator
Weekly off-site back-up storage	ICT Administrator
<u>Payroll: What</u>	<u>Who</u>
Check of fortnightly SUE report	Principal/Finance Committee
Changes to Personnel Bank accounts via email.	Signed by Principal/Deputy Principal/Assistant Principal/Finance Committee Member then entered by Office Manager.
Changes to Personnel Details accounts via email.	Signed by Principal/Deputy Principal/Assistant Principal/Finance Committee Member then entered by Office Manager.

5. **Travel Policy (Sensitive Expenditure):**

Introduction: The Stratford Primary School Board agrees that it has a responsibility to ensure that **travel expenditure** incurred by the School **must clearly be linked to the business of the School**. The Board has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal, except for Principal related travel.

The Board requires the Principal, as the chief executive and the Board's most senior employee, to implement and manage this Policy.

This Policy must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under this Policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.

Principles: The Board agrees to ensure that:

- The travel expenditure is on the Board's business, and the School obtains an acceptable benefit from the travel when considered against the cost;
- Expenses are reimbursed on an actual and reasonable basis; and
- Staff that are required to travel on business do not suffer any negative financial effect.

Process for Making Travel Arrangements: Under no circumstances may any staff member approve their own travel. All booking for international and domestic travel is to be conducted through the School's normal purchase procedures. This includes the booking of accommodation, flights and rental cars.

Travel within New Zealand: The justification for travel within New Zealand must be documented. It is to be transparent and must relate to a school need. Travel within New Zealand is to be authorised on a one-up basis (for example the Principal authorises all staff travel; the Presiding Member through the Finance Committee approves all Principal travel).

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International Travel: Prior to international travel being undertaken, the traveller must be given a copy of this policy and be required to sign it off to signify that they have read and understood it. All international travel should be authorised by the Board before it is commenced. A proposal must be put to the Board detailing the purpose of the trip, the expected benefit to the Board which will arise from the trip and an estimate of the costs of the trip, including a budget. The Board will approve the travel in writing through the Finance Minutes.

Tracking Spending: All receipts and a working budget, will be shared with the Office Staff and Finance Committee to track spending through the trip. This will then be presented to the Finance Meeting at the conclusion of the trip.

Flights: All international air travel is to be best available that fits within the budget (with Board approval). If a staff member has a travel time without a stopover in excess of 20 hours, a rest period of 24 hours before commencing work is permitted.

Accommodation: Staff should opt for three to four star accommodation. Staff who stay privately will be reimbursed on production of receipts, for koha or for the cost of a gift given to the people they have stayed with. Prior to travel the staff member should receive authorisation for the value of the intended koha/gift (Refer to Gift Policy).

Vehicles: When using rental cars, staff should opt for good but not superior model vehicles and should be prepared to justify any exceptions to this rule to the Board. Use of private vehicles is to be approved on a one-up basis and reimbursement will be at the rate specified by the Inland Revenue Department. If taxis are used, the Principal will use the school credit card. All other staff should pay for the taxis out of their own pocket, obtain a receipt and seek reimbursement through petty cash or as part of an expense claim.

Reimbursement of Expenses: The reimbursement for business related travel expenses is on the basis of actual and reasonable costs. Actual and reasonable expenditure is defined as “the actual cost incurred in the particular circumstance, provided that it is a reasonable minimum charge”. For travel within New Zealand, actual and reasonable expenses are those incurred above the normal day to day costs as per the collective agreement. For example, breakfast, lunch, snacks, dinner, course costs, transport, accommodation and flights. Where possible all costs are on the school credit card for the Principal. All personal expenditure is to be met by the staff member. All receipts must be retained and attached to the travel claim. The claim is to be authorised on a one-up basis, which will be shared with the Finance Committee as noted above.

Discretionary Travel Benefits: Staff must travel by the most direct route unless scheduling dictates otherwise. The School will not meet expenses incurred on behalf of a spouse or travelling companion. In the event of a person travelling with an employee, a reconciliation of expenses should clearly demonstrate that the School did in no way incur additional expenditure.

Approval: When the Board approved this Policy it agreed that no variations of this Policy or amendments to it can be made except with the unanimous approval of the Board.

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At the end of the trip overseas: The traveller must prepare a trip report, which details the costs incurred during the trip, activities which took place during the trip and the benefits to the Board and the School of the trip.

6. **Entertainment Policy (Sensitive Expenditure):**

Introduction: The Board agrees that it has a responsibility to ensure that expenditure on entertainment incurred by the School must clearly be linked to the business of the School. The Board has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.

The Board requires the Principal, as the chief executive and the Board's most senior employee, to implement and manage this Policy. The Principal may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to this policy.

This Policy must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under this Policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.

Purposes of Entertainment: Entertainment expenditure in general will be for the following purposes:

- Building relationships and goodwill
- Representation of the school in a social situation
- Hospitality provided in the course of school business to external parties
- Internal social functions
- Gifts for staff when they leave.

The purpose of all purchases should be transparent and the amount expended able to be demonstrated as reasonable and appropriate.

School Events and Staff Meetings: This includes conferences, seminars, workshops, training courses, staff leaving and meetings. When deciding upon a venue, teachers should take into account location, accommodation standard and tariff rates. They should give due consideration to the nature of the event, total cost, expectations of participants and their home location. When deciding upon catering, teachers should take into account the nature of the event and the quality of food required. When multiple staff are leaving this should be combined where practically possible. During term time, lunch should only be provided for staff meetings where it is not possible to arrange the meeting for a period which avoids the lunch break.

Alcohol/Food Purchases: The school should only purchase alcohol and food for entertainment purposes. Purchases are usually for the consumption by staff and guests at school hosted events. The amount expended needs to be demonstrably reasonable and appropriate for the event and should be sufficient for moderate consumption only.

Staff Gifts: The Board acknowledges the work staff do in supporting children to AIM High as learners. The following guidelines will be used for purchasing leaving gifts.

- **Prior approval is sought through the Finance Committee.** Consistency needs to be applied to all staff when considering gifts.

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- **Leaving staff:** 1st Year of Service will receive a \$50 gift funded by the BoT. The staff Social Committee can top this up as it is funded by staff. Every proceeding Year: \$10.

Approval: When the Board approved this Policy it agreed that no variations of this Policy or amendments to it can be made except with the unanimous approval of the Board.

7. **Theft and Fraud Prevention Policy:**

This policy was approved and adopted by the Board at its meeting held on *14 August 2023* and came into effect on that date.

Purpose:

The purpose of this policy is to assess the risk of fraud and to prescribe the actions the school will take when any suspected fraud is discovered or reported.

Policy content and guidelines:

The school values the integrity of its employees and students, and relies on them to act at all times in an ethical and honest manner.

Definition:

For the purposes of this policy, unless otherwise stated, the following definitions shall apply:

- Fraud is an intentional act by management, staff or third parties to deceive others, usually by acts of deception, that involves, but is not limited to the:
 - a. Manipulation, falsification or alteration of records or documents
 - b. Suppression or omission of the effects of transactions from records or documents
 - c. Recording of false transactions
 - d. Misapplication of accounting policies
 - e. Misrepresentations in a financial report
 - f. Misappropriation (theft) of assets.

Responsibilities

The Board has zero tolerance on theft and fraudulent behaviour. The Board:

1. Accepts that it has a responsibility to protect the physical and financial resources of the school.
2. Requires the Principal to establish systems and procedures to guard against the actions of fraud and theft.
3. Sets out how to record and report suspected or actual fraud to the Principal, the Board, appropriate law enforcement authority or other agency.
4. Sets out that any investigation will be conducted in a manner that conforms to the principles of due process, equity and fairness.
5. All employees have obligations to notify and/or act on suspicions of dishonest behaviours and activities, even in the absence of proof.
 - a. Any employee who is aware of or suspects fraudulent activity must promptly report such activity to the Principal (or Board member if appropriate).

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- b. Any employee who reports a suspicion of fraud regarding another individual or the school in good faith will in no circumstances be threatened, intimidated, or dismissed because they acted in accordance with this policy.
6. All instances of suspected fraud will be treated confidentially and investigated promptly to a natural conclusion.
7. The Principal will notify the board of the suspected fraud, as appropriate.

Procedures:

1. In the event of suspected theft or fraud, the principal (or presiding member) shall act in accordance with the following procedures.
2. Any suspected theft or fraud must be investigated and will be subject to due process, equity, and fairness.
 - a. Seek advice from an expert, such as your liability insurer, your Ministry School Finance Adviser, auditor, forensic accountant, or solicitor.
 - b. Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud.
 - c. Inform the presiding member of the information received and consult with them as appropriate.
 - d. Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.
 - e. Obtain a verbal or preferably a written response (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).
 - f. Advise the person in writing of the processes to be involved from this point on.
 - g. Lay a complaint with the New Zealand Police and if necessary, commission an independent expert investigation.
 - h. All instances where theft or fraud is proven will be prosecuted and the police will be assisted in any investigation as is required.

Allegations concerning the Principal or a Board Member:

Any allegation concerning the Principal should be made to the Presiding Member. Any allegation concerning Board Members should be made to the Principal. The Principal will then advise the Education Manager of the local office of the Ministry of Education and an investigation will commence.

Disciplinary process:

In respect of persons suspected of having committed fraud the school will follow the relevant disciplinary procedures where fraud is proven (as set out in the Code of Conduct).

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Actions following proven fraud:

Where a suspected fraud is proven, the Board will:

- a. Direct the principal where the fraud has taken place, to put controls into place to mitigate further losses and prevent reoccurrence of similar misconduct.
- b. Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
- c. Advise the school's insurers and Ministry of Education as appropriate (depending on the nature of the fraud).
- d. Keep all other relevant personnel suitably informed about the incident and the school's response.

Recovery of Loss:

- The recovery of the lost money or other property will be pursued following any fraud investigation.
- The amount of any loss will be quantified as far as possible and repayment or reparation will be sought.


Dealing with the Media:

Any person contacted by the media with respect to any fraud investigation shall refer the media to the board.

Approval:

- The Board accepts that it has a responsibility to protect the physical and financial resources of the school. All appropriate measures to deter fraud will be taken.
- When the Board approved the policy, it was agreed that no variations of this policy or amendments can be made except by the unanimous approval of the board. This policy is subjected to a regular review at board level.
- The Board requires the principal to communicate this policy to all employees (new and old), including part-time and contract and training be provided to understand this policy.
- This fraud policy shall also be made available to students and parents at their request.

Presiding Member: **Le-arna Russ**

Signature: 

On behalf of, and with the authority of, the Board on: **14 August 2023**