



Tiritea School NAG 4 – Financial and property management

National Administration Guideline 4

According to legislation on financial and property matters, each Board of Trustees is also required in particular to:

- (i) allocate funds to reflect the school's priorities as stated in the charter;
- (ii) monitor and control school expenditure, and ensure that annual accounts are prepared and audited as required by the Public Finance Act 1989 and the Education Act 1989;
- (iii) comply with the negotiated conditions of any current asset management agreement, and implement a maintenance programme to ensure that the school's buildings and facilities provide a safe, healthy learning environment for students.

Our Commitment:

The Tiritea School Board of Trustees ensures the school's financial and property resources are efficiently and prudently managed to effectively support our teaching and learning programmes, and to provide a safe, healthy learning environment for students.

4.1 Finance

- The Board of Trustees ensures Tiritea School's documented financial management procedures are actively followed and monitored for compliance.
- The Principal is responsible for the prudent and efficient management of the school's expenditure and revenue on a day-to-day basis.
- The Board allocates funds in a way that gives effect to the priorities stated in the Tiritea School Charter and Strategic Plan.
- The Board ensures that the school's annual operating objectives and budget reflect the Board's priorities and obligations.
- No expenditure may be incurred that is not justifiable to an objective external party, having due consideration of what ought to be considered reasonable and necessary.
- The Board meets the relevant legislative requirements for the preparation, audit and publication of annual accounts.
- The Board seeks sufficient financial donations from parents/caregivers and the local community in order to have the resources necessary to fulfil the school's mission and to pursue its strategic priorities.
- BoT members, the Principal and Deputy Principal will complete an Interest Register at the beginning of their term of office / employment. This will be updated as necessary.



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4.2 Theft and Fraud Prevention

- The Board accepts that it has a responsibility to protect the physical and financial resources of the School. The Board has agreed that through its chief executive, the Principal, the School has a responsibility to prevent and detect theft and fraudulent actions by persons who are employed or contracted by the School or who are service recipients of the School. The Board accepts that any investigation into any theft or fraudulent actions will be conducted in a manner that conforms to the principles of natural justice and is procedurally just and fair.
- The Board, therefore, requires the Principal to establish systems and procedures to guard against the actions of theft and fraud. The Principal is to report such actions to the Board Chairperson as prescribed in the procedures.

4.3 Property

- The Board of Trustees establishes and maintains a strategic property management plan aligned to the future needs of Tiritea School.
- The Board ensures Tiritea School's physical resources, including buildings, furnishings, equipment and other facilities, are maintained to provide a healthy and safe environment for students and staff.



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Financial procedures

Annual Budget

An Annual Budget will be drawn up and approved by the Board by the December meeting prior to the year it is to come into effect. Both a Budgeted Profit or Loss Statement and a Budgeted Balance Sheet will be prepared. The Budget's aim is to ensure a healthy financial position is maintained, in accordance with Ministry of Education guidelines.

Board Reporting

The Board will receive a regular report on the finances separate from the Principal's report. The report will include at least:

- Details of accounts that have been paid and monies received since the last report.
- Discussion of budget trends, and if necessary, any action that is needed.
- Other matters which require discussion or explanation regarding the school's finances.

Receipts

Records of monies banked into the school account will be maintained in the receipt book. Record to include the amount, date and receipt numbers banked with each deposit. The receipt book will be ruled off and dated at each banking. Upon receipt, cheques will be stamped with *Not transferable For Credit of Tiritea School Only*.

Record Keeping

Financial records will be maintained on-site at the school or a record kept of where particulars are kept off-site.

Annual Financial Reports

The school's Treasurer (or designee) is responsible for the preparation of annual accounts and getting them audited by the required date. Outside expertise will be sought if required in all fields of financial management. The reports will be prepared in accordance with NZIFRS standards issued by the External Reporting Board (XRB), and will meet the requirements contained within the Education Act 1989, the Crown Entities Act 2004, and the Financial Reporting Act 1993.

Sensitive Expenditure

Sensitive expenditure includes such items as travel, marketing, gifts, entertainment and expenditure on behalf of the Principal.

- 1) The Board agrees that it has a responsibility to ensure that all expenditure of Board funds is clearly linked to the business of the School and does not at any time provide



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- unreasonable and personal benefit from those funds to any individual or group of individuals (staff or students).
- 2) The Board acknowledges that at times there are expenses which may be considered to be beneficial only to individuals or small groups of individuals. These may include expenses in relation to travel (especially international travel), or to koha, gifts and other payments to individuals.
 - 3) The Board has determined that any expenditure which may be considered to be beneficial to individuals or groups of individuals will be carefully scrutinised before approval.
 - 4) The Board has agreed that any sensitive expenditure over \$500 requires the approval of the Chairperson or Treasurer, or any two other Board Members.
 - 5) 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 (as the chief executive and the board's most senior employee).

Principles

- 6) The Board requires the Principal, where expenditure may be beneficial to an individual or group of individuals, to take account of the following prior to authorising this expenditure:
 - i) Does the expenditure benefit student outcomes?
 - ii) Does the expenditure represent the best value for money?
 - iii) Is it in the budget?
 - iv) Could the Board justify this expenditure to a taxpayer, parent or other interested party?
 - v) How would the public react if this expenditure was reported by the media?
 - vi) Would there be perceived to be any personal gain from this expenditure?
 - vii) Does this expenditure occur frequently?

Accounting for expenditure

- 7) All expenditure which is incurred on behalf of individuals or groups of individuals will be fully accounted for.

Approval

- 8) 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.
- 9) As part of its approval the Board requires the Principal to circulate this policy to all staff, and for a copy to be included in the School Policy folder, copies of which shall be available to all staff. The School Policy folder shall also be made available on request. The Board requires that the principal arrange for all new staff to be made familiar with this Policy and other policies approved by the Board.



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Income Control

1. The Board of Trustees operates a number of bank accounts to optimise the financial return to the school. It does and can have the following bank accounts:
 - (a) General Accounts (Cheque and Cash Management)
 - (b) Savings Account for 10 Year Property Plan monies
 - (c) Other specialised accounts for special projects
 - (d) Other Bank Investments as deemed necessary.
2. All monies received by the School must pass through one of the above bank accounts.
3. All money received by the School, other than direct credits from the Ministry of Education (MoE), must be receipted and coded to a budget category. Cash or cheques received at school will be receipted in a receipt book held at the school. The Treasurer (or designee) or School Secretary may write these receipts out and keeps a record of all incoming payments. The money is then passed to the Treasurer (or designee) of the BoT for banking. Money received via online banking will have an electronic receipt generated and sent to the payee, and copies will be kept by the Treasurer (or designee).

Expenditure Control

The Finance Committee consists of the Principal, BoT Chairperson and the BoT Treasurer. The Finance Committee will determine the Budget draft allocation for the financial year 1 January to 31 December, at a meeting no later than mid-November and before the final BoT meeting for the current year. The budget draft will be presented to the BoT at this final meeting for discussion, possible modification and ratification. The final budget will be signed and dated by the BoT Chairperson and Treasurer.

Ordering

Orders can be made on behalf of the school by the Principal, teachers within their delegated curriculum areas, the School Secretary, BoT Chairperson, BoT Treasurer or delegated BoT member against budget categories. Spending must comply with the approved budget for that financial year.

- The Principal is the overall budget supervisor for all curriculum and staffing expenses.
- The Treasurer is the overall budget supervisor for all other areas of expenditure.
- The Chairperson assists and advises both of the budget supervisors.

Payments

Where possible, payments will be made by using internet banking (Direct Debit [DD] or Automatic Payment [AP]), or made by cheque, except those made by the payroll services (Novopay) on behalf of the school, as instructed by the Principal and/or BoT.

Payments will only be made on receipt of appropriate documentation –

- Either (i) invoice or statement
- (ii) receipt indicating goods or services rendered, the amount and date.

The Principal or Chairperson will sign all invoices or receipts or forms to verify that;



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- it is correct
 - that the goods have been received
- and will indicate
- the budget code to be charged
 - the date it was verified.

All payments must be authorised by two Board members. The relevant invoices, statements and receipts will be available for the authorising BoT members to confirm and verify payments at their discretion.

The Treasurer (or designee) will pay all accounts as verified, check the budget code allocation and detail the payment on the cheque butt (when Direct Debits not used) and enter the payment in the school records, including Direct Debits.

Invoices and receipts are to be overwritten or stamped as paid and filed in date order.

- The school will use large size cheque books (with butts).
- When completed, cheque books must be filed in date order for audit purposes.

Expense Claims

Where costs have been incurred by staff or others associated with the school, expenses may be claimed on the submission of a receipt. A claim form will be completed and kept on file with the receipt. Two Board members will approve the reimbursement via the procedure described for other payments.

GST

The Treasurer or their appointed agent will file the relevant Goods and Services Tax returns with Inland Revenue Department (IRD) on or before the due date. Where the return stipulates that GST is payable, the payment will be made to IRD on or before the due date.

Bank Accounts

All bank accounts will be maintained with credit balances at all times. The Treasurer or their appointed agent will ensure that sufficient funds are available in the main operating account to cover expected outgoings as they fall due.

Principal's Account

A bank cheque account may be operated by the Principal who, with the School Secretary and Deputy Principal, will be signatories to the account.

The account will contain a "float" of an amount determined by the BoT.

All purchases made through the account must be verified by a receipt showing:

- What was bought
- The amount
- The date



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- The budget code to be charged against
- Who was responsible

These details are also to be entered into the records in the chequebook.

When the balance in the account drops, the receipts are totalled and the Board of Trustees either by Direct Debit or cheque will restore the account balance to the “float” level. The amounts are then entered into the school accounts against the appropriate budget categories. The statement for this account will be printed off monthly and signed by the Principal and BoT Chairperson approving that the transactions made were according to the principles of the financial management of the school.

Reconciliation

Early in each new month the Treasurer (or designee) will reconcile the Bank Statement with the Bank Account and the school records. The monthly financial report will include:

- a list of monies received
- a list of cheques and direct debits that have been paid
- a balance of all bank accounts
- a budget summary showing actual income and expenditure against budget predictions

The monthly financial statement will be distributed to the BoT members prior to the BoT meeting in preparation for discussion and ratification at the next BoT meeting.

Bank statements are to be filed in date order for audit purposes.

Theft and Fraud Prevention

- 1) As preventative measures against theft and fraud the Board requires the Principal to ensure that:
 - a) The School’s physical resources are kept secure and accounted for.
 - b) The School’s financial systems are designed to prevent and detect the occurrence of fraud. All such systems must meet the requirements and standards as set out in the Public Finance Act 1989, Section 45C(b) and of NZIFRS Generally Accepted Accounting Practice as set out by the External Reporting Board.
 - c) Staff members who are formally delegated responsibility for the custody of physical and financial resources by the Principal are proven competent to carry out such responsibilities and that such persons are held accountable for the proper execution of their responsibilities.
 - d) All staff members are aware of their responsibility to immediately inform the Principal should they suspect or become aware of any improper or fraudulent actions by staff, suppliers, contractors, students or other persons associated with the School.
- 2) In the event of an allegation of theft or fraud the Principal shall act in accordance with the following procedures:



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- a) Decide to either immediately report the matter to the New Zealand Police or proceed as outlined in this paragraph.
- b) So far as it is possible and within 24 hours:
 - i) Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud.
 - ii) Request a *written statement* from the person who has informed the Principal, with details as to the nature of the theft or fraud, the time and circumstances in which this occurred, and the quantity and/or value of the theft.
 - iii) Decide on the initial actions to be taken including consulting with the person who provided the information and, if appropriate, confidentially consulting with other senior members of staff about the person who is the subject of the allegation.
 - iv) Inform the Board Chairperson of the information received and consult with them as appropriate.
- c) On the basis of advice received and after consultation with the Board Chairperson, the Principal shall decide whether or not a *prima facie* case of theft or fraud exists, and if not, to document this decision and record that no further action is to be taken.
- d) The Principal shall then carry out the following procedures:
 - i) Investigate the matter further in terms of procedures as set out in sub-paragraph (d);
 - ii) If a *prima facie* case is thought to exist to continue with their investigation;
 - iii) Invoke any disciplinary procedures contained in the contract of employment should the person be a staff member;
 - iv) Lay a complaint with the New Zealand Police;
 - v) If necessary, commission an independent expert investigation;
 - vi) In the case of fraud, require a search for written evidence of the possible fraudulent action to determine the likelihood or not of such evidence;
 - vii) Seek legal advice; or
 - viii) Inform the Manager, National Operations, Ministry of Education local office and/or the school's auditors.
- e) Once all available evidence is obtained the Principal shall consult the Board Chairperson. The Board Chairperson may, if they consider it necessary, seek legal or other advice as to what further action should be taken.
- f) If a case is considered to exist the Principal or a person designated by them shall, unless another course of action is more appropriate:
 - i) Inform the person in writing of the allegation that has been received and request a meeting with them at which their representative or representatives are invited to be present.
 - ii) Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.



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- iii) 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).
 - iv) Advise the person in writing of the processes to be involved from this point on.
- 3) The Board recognises that supposed or actual instances of theft or fraud can affect the rights and reputation of the person or persons implicated. All matters related to the case shall remain strictly confidential with all written information kept secure. Should any delegated staff member or any other staff member improperly disclose information the Principal shall consider if that person or persons are in breach of confidence and if further action is required. Any action the Principal considers must be in terms of the applicable conditions contained in their contract of employment and any code of ethics or code of responsibility by which the staff member is bound.
- 4) The Board affirms that any allegation of theft or fraud must be subject to due process, equity and fairness. Should a case be deemed to be answerable then the due process of the law shall apply to the person or persons implicated.
- 5) Any intimation or written statement made on behalf of the School and related to any instance of supposed or actual theft or fraud shall be made by the Board Chairperson who shall do so after consultation with the Principal and if considered appropriate after taking expert advice.

Allegations Concerning the Principal or a Trustee

- 6) Any allegation concerning the Principal should be made to the Board Chairperson. The Chairperson will then investigate in accordance with the requirements of paragraph 4 of this Policy.
- 7) Any allegation concerning a member of the Board of Trustees should be made to the Principal. The Principal will then advise the manager of the local office of the Ministry of Education and commence an investigation in accordance with the requirements of paragraph 4 of this Policy.

Approval

- 8) When the Board approved the Policy it was agreed that no variations or amendments to this section of the Policy (4.2) or its related procedure can be made except by the unanimous approval of the Board.
- 9) As part of its approval the Board requires the Principal to circulate this Policy to all staff, and for a copy to be included in the Tiritea School Policy Manual, copies of which shall be available to all staff. The school policy manual shall also be made available to parents / caregivers at their request. The Board requires that the Principal arrange for all new staff to be made familiar with the Financial Policy and the associated procedures.



Property management

Purpose

Tiritea School is situated in an attractive rural setting. It is important that the upkeep of the grounds is of high priority to ensure the students best utilise this area and can play safely within its boundaries.

Responsibility

1. The Board of Trustees is responsible for preparation and review of the 5 and 10 Year Property Plan.
2. Cyclical Maintenance, as specified in the 5 and 10 Year Property Plans, is to be completed by the recommended date unless the board determines that the work is not yet required. Where this is the case, clear rationale for the delay will be recorded, and sufficient funds will be budgeted to complete the work in future years.
3. The grounds must be regularly maintained. Day-to-day management is the responsibility of the Principal in conjunction with the Groundsperson.

Ground maintenance procedure

1. The Principal will direct the Groundsperson to carry out regular grounds maintenance such as:
 - 1) Ensure gutters are clear of debris
 - 2) Lawn mowing and edges
 - 3) Periodic spraying of broadleaf weeds (Autumn and Spring)
 - 4) General weed control and garden maintenance
 - 5) Special maintenance requests as needed
2. Any damage to the property will need to be brought to the attention of the Principal and BoT.
3. Any development of the property will be done in consultation with the Principal and BoT.
4. Working Bees will be organised by the BoT and/or PTA, as and when the need arises.
5. Monies used for minor repairs and maintenance are set annually in the budget.

Lost Property procedure

1. All students' property should be named.
2. Tiritea School takes no responsibility for unnamed articles.
3. Unnamed articles are placed in a lost property container, regularly displayed to parents and students, and should be checked regularly by parents and students.
4. At the end of each term any articles remaining and unclaimed will then be disposed of.



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Valuables at School procedure

Staff & Visitor's Property: Valuable items belonging to staff and visitors used at school must be insured by the owner. Tiritea School cannot accept any responsibility for theft or damage should these occur.

Students' Property: Students are discouraged from bringing valuable items to school. If a child brings an item to school, Tiritea School takes no responsibility for theft or damage. Sometimes students like to share an item with their class. In this case it is advisable that parents make arrangements with the classroom teacher and then accompany the child for the duration of the "talk," taking the item home immediately afterwards.

Security procedure

To discourage burglary and vandalism, Tiritea School will operate a security system. Attempts to enter the buildings activate an alarm which is monitored by a security firm.

Responsibility for deactivating the alarm is held by the Principal, staff, cleaner and BoT Chairperson.