



TIRIMOANA SCHOOL

FINANCIAL MANAGEMENT POLICY **INTERNAL CONTROL** **THEFT AND FRAUD PREVENTION**

RATIONALE:

Tirimanoana School's financial management policy documents how the Board allocates funds to reflect the school's priorities, monitors and controls school expenditure and ensures that annual accounts are prepared in accordance with regulations and meet audit requirements. The internal controls set policies, procedures, and systems in place to safeguard the resources, prevent theft and fraud.

GUIDELINES:

Budget

1. The finance committee starts preparing the budget in November each year. The finance committee takes into consideration the annual plan, consults with the Board, senior leadership team and staff where necessary. The final budget is ratified in the Board's February or March meeting. Any variations from the approved budget will be in writing to the Board for their approval prior to committing any school funds.

Account Reconciliation and Reporting

2. A computerised accounting package is used to record all financial transactions and assets. The schools financial and physical resources are to be kept secure and accounted for. The Executive Officer is responsible for reconciling the bank accounts and providing monthly financial reports (with budget comparisons).
3. Internal Control - An external Accounting Service provider is contracted to oversee and support the Executive Officer and financial management by providing a termly Board report, preparing 2-monthly GST returns and the annual accounts for Audit.
4. The Treasurer (or Principal or external accounting service provider) will present the financial statements to the board monthly with commentary to unusual (or unexpected) variances, working capital, significant commitments for next month and other useful information deemed relevant.
5. The annual accounts prepared and audited must comply with the Public Finance Act 1989 and the Education and Training Act 2020 and be sent to the Ministry of Education by the 31 May each year. The previous year's Financial Accounts and Audit Management letter will be approved at the next Board meeting following receipt from the Auditor.
6. Internal Control – ensure a backup system is in place. Passwords are to be changed periodically and not shared with any other person.

NELP Objective 4; Priority 7 Objective 5; Priority 8

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Cash Management

7. Internal Control – separation of duties. All monies received by the school will be banked in the school bank account. No payments will be made directly from cash received. All cash in the school must be locked in the safe. All cash is directed to the office; the Administration Assistant receipts each payment, prepares a weekly reconciliation, and stores the cash in the school safe. The Secretary checks the weekly reconciliation, prepares a breakdown summary sheet, and banks cash.
8. The Executive Officer monitors the school bank account balance to ensure that adequate funds are held to meet all payments. The bank account should always operate in credit. Surplus funds can be transferred to an interest-bearing account or term investment.
9. Fundraising cash. Executive officer prepares float/s. At the end of the fundraiser all cash received is carefully recorded and counted by two people, the Executive Officer, and a Board Member (or delegated person). If cash is greater than \$2,000 security is called to collect, otherwise remains in safe till banked the next business day.

Payment of Accounts

10. All purchases have a purchase order. Purchase order top copy is attached to the invoice which authorises the purchase, second copy remains in the book. The invoice is stamped and signed by the person who ordered (or signed for the goods) confirming the goods have been received and indicating the invoice is cleared for payment. All invoices to be reconciled by Executive Officer.
11. Internal Control – all purchases/invoices over \$5,000 are sighted and authorised by a board member.
12. Online payments - an approval payment advice slip is attached to the invoice/statement for payment and signed by an authorised signatory for payment.
13. Direct credit payments – Executive Officer processes in bulk for payment on the 20th of the month following. The batch summary is printed and attached to the invoices. The batch payment is imported to the bank from the accounting system and authorised by 2 signatories (not including the Executive Officer who prepared the batch).
14. Signatories to the school's bank accounts will be any two of
 - The principal
 - The Deputy Principal
 - The Treasurer
 - The Executive Officer
 - School Secretary
 - Presiding MemberSignatories are required to sight and sign the invoices for payments made via online banking (i.e. online or direct credit payments)

NELP Objective 4; Priority 7 Objective 5; Priority 8

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15. Credit Card – Credit card holders and respective card limits are approved by the Board. Credit card use must clearly be linked to the business of the school and not used for any personal expenditure. Each card holders need to sign a document showing that they have seen the Policy/Procedure of the Credit Card responsibilities confirming they understand and will adhere to the required procedures. The credit card will be cancelled when no longer required or the staff member resigns.
16. Credit card purchases must have an order form. The invoice is stamped and signed to confirm receipt. The Executive Officer completes a summary sheet and ensures all invoices (including order forms) are attached to the monthly credit card statement. The Executive Officer reconciles the credit cards monthly. The credit card is automatically paid in full each month by the due date to avoid incurring interest charges.
17. Cardholder Responsibilities
- The cardholder should never allow another person to use the card.
 - The cardholder must protect the PIN number of the card.
 - The cardholder must only purchase within the credit limit application to the card.
 - The cardholder must notify the credit card company and the school immediately if the card is lost or stolen.
 - The cardholder must return the credit card to the school upon ceasing employment or at any time upon request by the Board.

Theft / Fraud

18. In the event of an allegation of theft or fraud the principal shall following the procedures:
Decide to either immediately report the matter to the New Zealand Police or proceed as outlined.
So far as it is possible and within 24 hours:
- Record the details of the allegation, person/s allegedly involved and the quantity and/or value of the theft or fraud.
 - 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.
 - Decide on the initial actions to be taken including consulting with the initial person, and if appropriate, confidentially consulting with other senior members of the staff.
 - Inform the Board Presiding Member of the information received and consult with them as appropriate.
19. The principal shall decide whether a prima facie case of theft or fraud exists.
If not, document this decision and record that no further action is to be taken.
If further action is required, the principal shall produce a report for consideration by the Board who shall then decide what further measures to undertake which may include:
- Making a complaint with New Zealand Police.
 - Commissioning a further investigation including consulting with expert and/or legal advice.
 - Informing the Ministry of Education and School Auditors.

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- Possible sanctions that are allowed by law and are within the rules, policies, and procedures of the school.
20. At all times the School and Board will consider the need for confidentiality to protect the reputation of the person or persons implicated.
 21. Any allegation concerning the principal should be reported to the Board Presiding Member who shall then act on the allegation as above.
 22. Any allegation concerning a member of the Board should be made to the principal. The principal will then advise the Ministry of Education and commence an investigation as above.

NELP Objective 4; Priority 7 Objective 5; Priority 8

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