



TAIERI COLLEGE

FINANCE POLICY

Rationale:	To provide a process to ensure compliance and accountability in the management of public money.	
Legislation / Policy:	Public Finance Act 1989 Education and Training Act 2020 Crown Entities Act 2004 Financial Reporting Act 1993 Protected Disclosure Policy Complaints Policy	
Purpose: <ol style="list-style-type: none"> 1. To effectively manage Taieri College’s financial resources and use them to achieve the goals set within the Charter and Strategic Plan. 2. To maintain strict accountability for and control of Taieri College’s financial resources in accordance with MOE requirements. 3. To safeguard the assets of Taieri College for future generations of students. 		
Procedure For each Taieri College year the Financial personnel, Board of Trustees representative and Principal along with Solutions & Services or such person or company authorised by Taieri College will: <ol style="list-style-type: none"> 1. Keep expenditure within budget and report monthly to the Principal and Board of Trustees on performance against that budget. 2. Ensure all expenditure, and commitment of expenditure, is approved within the Board of Trustees’ delegations. 3. Ensure reports comply with the required accounting standards, and that the annual financial statements are presented to the Auditor then to the Ministry of Education on time. 4. Ensure records of all financial transactions are correct and up to date. Function of the Board of Trustees The Board of Trustees retains primary responsibility for the overall financial management of Taieri College in accordance with governance obligations. From time to time it will delegate some of its authority and responsibilities to Committees and staff members; however in each of these cases it will retain an overseeing role.		
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Specific Responsibilities Retained by the Board of Trustees

The Board of Trustees has retained the following financial management responsibilities:

- Approval of the finance policy
- Approval of all delegations
- Approval of the annual budget
- Approval of any expenditure in excess of budgeted levels
- Approval of all contracts signed on behalf of Taieri College

In addition to this the Board of Trustees will receive a monthly report from the Physical Resources Committee summarising Taieri College's performance against budget and outlining the Physical Resources Committee's expectations for the remainder of the year.

Function of the Physical Resources Committee

The Board of Trustees has created the Sub Committee to take responsibility for overseeing the day-to-day management of Taieri College's financial resources, commitments and obligations. The committee shall oversee the preparation of budgets, monitor the collection of revenue, monitor expenditure, and provide advice to the Board of Trustees and to the Principal on financial matters.

Specific Responsibilities Delegated to the Physical Resources Committee

Budgeting:

- Consult with Taieri College's budget holders for budget preparation.
- Ensure budgets are drafted.
- Ensure the final budget is presented to the Board of Trustees for approval.

Monitoring:

- Monitor budget control and cashflow.

Reporting:

- Provide the Board of Trustees with a monthly financial report.
- Ensure reports comply with legislation, authoritative accounting standards and generally accepted accounting principles.
- Ensure draft annual financial statements are presented to the Board of Trustees prior to 31 March.
- Ensure the draft financial statements are provided to the auditor by 31 March.
- Ensure the audited financial statements are provided to the Ministry of Education by 31 May.

Provide Advice:

- Give advice to the Board of Trustees as required about Taieri College's financial management.
- Advise the Board of Trustees on financial procedures set out by the Ministry of Education.
- Advise the Principal on financial management.

Record Keeping:

- Maintain a register setting out financial responsibilities and delegations.
- Oversee the maintenance of the asset register.
- Maintain appropriate accounting and purchasing procedures, and make recommendations to the Board of Trustees on their implementation.

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- Ensure that all electronic records are backed up to standard that will enable these to be accessed in the event of system failure or damage without compromising Taieri College and its ability to function appropriately.

Responsibilities of the Principal

The Principal will manage this policy on the Board of Trustees behalf and ensure appropriate systems and procedures are in place to safeguard Taieri College's assets.

As part of its approval the Board of Trustees requires the Principal to circulate this Policy to all staff and for a copy to be included in Taieri College Policy Manual, copies of which shall be available to all staff. Taieri College policy manual shall also be made available to students and parents at their request. The Board of Trustees requires that the Principal arrange for all new staff to be made familiar with this Policy and other policies approved by the Board of Trustees.

Term Deposits and Unbudgeted Funds

No Term Deposit or unbudgeted funds whether held in trust, bequeathed to Taieri College or held on account of Taieri College are to be spent without prior approval of the Board of Trustees.

THEFT AND FRAUD PREVENTION

The Board of Trustees accepts that it has a responsibility to protect the physical and financial resources of Taieri College. The Board of Trustees has agreed that through its Chief Executive, the Principal, Taieri College has a responsibility to prevent and detect theft and fraudulent actions by persons where possible who are employed or contracted by Taieri College or who are service recipients of Taieri College. The Board of Trustees 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 of Trustees, 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 of Trustees Chairperson as prescribed in the procedures set out below.

1. As preventative measures against theft and fraud the Board of Trustees requires the Principal to ensure that:
 - a) Taieri College's physical resources are kept secure and accounted for.
 - b) Taieri College'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 Crown Entities Act 2004 and of generally accepted accounting practice promulgated and supported by the Institute of Chartered Accountants of New Zealand.
 - 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 Taieri College.

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2. In the event of an allegation of theft or fraud the Principal shall act in accordance with the following procedures:
- 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 of Trustees Chairperson of the information received and consult with them as appropriate.
 - c) On the basis of advice received and after consultation with the Board of Trustees 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;
 - 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 Taieri College's auditors.
 - e) Once all available evidence is obtained the Principal shall consult the Board of Trustees Chairperson. The Board of Trustees 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.
 - 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.

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3. The Board of Trustees 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 of Trustees 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 Taieri College and related to any instance of supposed or actual theft or fraud shall be made by the Board of Trustees 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

1. Any allegation concerning the Principal should be made to the Board of Trustees Chairperson. The Chairperson will then investigate in accordance with the requirements of paragraph 4 of this Policy.
2. 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.

Gifts and Rewards

You may NOT seek any form of reward (including gifts, favours, services, prizes or fees) for performing your duties as an employee. Gifts or rewards can be seen as bribes or inducements that put you under an obligation to someone other than Taieri College Board of Trustees. While it is acceptable to receive a gift of a low value, if you are offered any form of reward or gift valued at \$50.00 or more, you should inform your employer who will decide the appropriate response.

CASH MANAGEMENT

1. The Board of Trustees accepts that it has a responsibility to protect the cash resources of Taieri College. The Board of Trustees has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.
2. In the formulation and approval of this Policy the Board of Trustees has had due regard to the accepted standards of sound financial management and applied these to Taieri College. The Board of Trustees wishes to record that it sought the advice of a chartered accountant and consulted with Taieri College's Auditor in their role as agent of the Controller and Auditor General before approving this Policy.

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3. The Board of Trustees requires the Principal, as the Chief Executive and the Board of Trustee'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 of Trustees 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.

On-line Banking

The on-line site administrator is responsible for, among other things:

- Controlling who the on-line banking users are;
- Setting permissions of each user;
- Resetting passwords as required; and
- Removing users as appropriate – this must be done promptly when staff leave their roles.

There should be three site administrators at any time, and they can only be made up of the following:

- The Principal
- Up to two members of the Senior Leadership team
- Accounts Manager

The rule for on-lining banking must be that payments to suppliers require two authorisations. Transfers between school bank accounts can be authorised by one authoriser.

The users with authorisation rights in on-line banking can include those eligible to be the site administrators. Other staff in the finance team may be given authorisation rights to cover the absence of the Accounts Manager, however they shall never pair their authorisation with the Accounts Manager. At least one of the authorisers of any payment to a supplier must be one of the following:

- The Principal
- A member of the Senior Leadership team

Others in the finance team may be granted on-line access without authorisation rights, ie. read only access.

Care must be taken when authorising electronic payments, that the bank account associated with the supplier's name is correct. Controls must be in place to mitigate the risk of incorrect bank account numbers being associated with a supplier's name.

Current and Savings Accounts

1. The Board of Trustees agrees that one bank using one base number for all accounts shall be operated for Board of Trustees general receipts and payments.
2. The signatories to the bank account can only be made up as follows:
 - the Principal
 - the Accounts Manager and
 - up to two members of the Senior Leadership Team

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3. For operating expenses and budgeted capital items shall be signed by at least two of the above.
4. All investment and interest-bearing deposit accounts shall be operated to hold cash resources not currently required for operating purposes. This account is only to be operated by the Principal or Accounts Manager with any balances reported by the Principal at the next Board of Trustees meeting.

Investments

1. Investments of Taieri College funds may only be made in accordance with the terms of Section 73 of the Education Act 1989.
2. Notwithstanding the requirements of Section 73, no investments may be made in equity stocks, currency markets or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps Options and Futures).

Fundraising

1. The Board of Trustees acknowledges that under Section 73 of the Education Act 1989 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by Taieri College. If doubt exists about the legality of a proposed fundraising contract, the Principal will contact the regional Financial Adviser of the Ministry of Education for advice.

Cash Receipts

1. All cash and eft-pos payments received must be paid into Taieri College office and properly receipted. This includes trading income, other local funds receipts and reimbursements for learning materials.
2. No cash received can be used to pay accounts in cash.
3. Only delegated staff may handle cash.
4. All receipts must be banked as soon as possible and preferably within one working day of receipt.
5. All cash kept on the premises must be kept secure and under the control of a delegated person.

Accounts for Payment

1. All accounts for payment, other than expense reimbursements, must be supported by an:
 - official Taieri College order form and order number
 - invoice, with certification by the person ordering, who holds correct delegation for the level and type of expenditure; that each item has been received, prices and quantities are correct, and the payee details are correct
2. An expense claim should be supported by GST receipts or invoices. Claims for the use of private motor vehicle usage must be certified by the Principal or delegate to indicate that approval was given. Scale rates as per the award will be the basis of reimbursement per kilometre.

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Accounting Records

1. The Principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.
2. The financial system must be so organised by the Principal that the Principal and Chairperson can sign without hesitation the annual Statement of Financial Responsibility as required by Section 155 of the Crown Entities Act 2004.

Periodic and Annual Financial Statements

1. Taieri College is contracted to a service provider for annual financial statements.
2. For each calendar month the Accounts Manager and Solutions & Services shall prepare financial reports signed off by the Principal showing:
 - Statement of Financial Performance, including comparison to budget and expected financial result at year end
3. For each month the Accounts Manager and Solutions & Services shall present a written summary report signed off by the Principal that describes:
 - key (financial) achievements from the previous month
 - expectations for the remainder of the year and
 - significant matters and/or risks that must be addressed by Taieri College.
4. This report shall be presented to the Physical Resources Committee three days prior to the monthly Board of Trustees meeting and tabled at the next meeting of the Board of Trustees.
5. Any recommendations made to the Board of Trustees outside the approved budget for the purchase of fixed assets, investments and other use of cash resources must refer to the impact on Taieri College's present cash resources and projected cashflows for the next 12 months.

CREDIT CARDS

1. The Board of Trustees agrees that it has a responsibility to ensure that credit card expenditure incurred by Taieri College must clearly be linked to the business of Taieri College. The Board of Trustees has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.
2. The Board of Trustees requires the principal, as the Chief Executive and the Board of Trustees 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.
3. This Policy must be read in conjunction with other Board of Trustees 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.

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Issuing of Credit Cards

1. Credit cards should only be issued to staff members after being authorised by the Board of Trustees.
2. A register of cardholders should be maintained.
3. The limits set for credit card use should not exceed the overall financial delegation of the cardholder, as set out in the Schedule of Delegations. Any variations require Board of Trustees approval.
4. Prior to the card being issued, the recipient must be given a copy of this policy and be required to sign it off to signify that they have read and understood it.

Procedures to be Followed when Using the Card

1. The credit card is not to be used for any personal expenditure.
2. The credit card will only be used for:
 - payment of actual and reasonable travel, accommodation and meal expenses incurred on Taieri College business; or
 - purchase of goods where prior authorisation from the Board of Trustees is given.
3. All expenditure charged to the credit card should be supported by:
 - A detailed tax invoice or receipt to confirm that the expenses are properly incurred on Taieri College business
 - For expenditure incurred in New Zealand of value greater than \$50 (including GST) there should also be a GST invoice to support the GST input credit
4. The credit card statement should be certified by the cardholder as evidence of the validity of expenditure.
5. Authorisation for the expenditure should be obtained on a one-up basis (for example the Principal should authorise any travel by the Deputy Principal and the Board of Trustees should authorise any travel by the Principal). Cardholders are not allowed to approve their own expenditure.
6. All purchases should be accounted for within five working days of receiving a credit card statement.

Cash Advances

1. Cash advances are not permitted except in an emergency.
2. Where cash advances are taken, the cardholder must provide a full reconciliation, with receipts wherever possible, of how the cash was used. Any unspent monies must be returned to the Taieri College.

Discretionary Benefits

1. Any benefits of the credit card such as a membership awards programme are only to be used for the benefit of the Taieri College. They should not be redeemed for personal use.

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Cardholder Responsibilities

1. All cards will be in the name of the Taieri College.
2. The cardholder should never allow another person to use the card, only when it is required to make a purchase for the Taieri College authorised by the Principal, Senior Leader or Accounts Manager.
3. The cardholder must protect the pin number of the card.
4. The cardholder must only purchase within the credit limit applicable to the card.
5. The cardholder must notify the credit card company and the Taieri College immediately if the card is lost or stolen.
6. The cardholder must return the credit card to the Taieri College upon ceasing employment there or at any time upon request by the Board of Trustees.

Approval

When the Board of Trustees 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 of Trustees.

As part of its approval the Board of Trustees requires the Principal to circulate this policy to all staff, and for a copy to be included in the Taieri College Policy Manual, copies of which shall be available to all staff. The Taieri College policy manual shall also be made available to students and parents at their request. The Board of Trustees requires that the Principal arrange for all new staff to be made familiar with this Policy and other policies approved by the Board of Trustees.

ASSET MANAGEMENT

Introduction

1. The Board accepts that it has a responsibility to protect the assets 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.
2. In the formulation and approval of this Policy the Board has had due regard to the accepted standards of sound asset management and applied these to the School. The Board wishes to record that it sought the advice of a chartered accountant and consulted with the School's auditor in their role as agent of the Controller and Auditor General before approving this Policy.
3. 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.
4. 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.

Acquisition of Assets

5. The Board agrees to review the asset management plan annually and agree a budget for annual low value asset acquisitions.

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6. The principal shall have delegated authority to purchase low value assets within the annual low value asset acquisition budget, following good procurement processes, provided that the value of any individual asset is no more than \$10,000.
7. The decision to purchase any low value asset with a cost of over \$10,000 must be made by the Board, not the principal alone.
8. The Board shall consider the most cost efficient acquisition method for each new low value assets acquisition decision ie. whether to buy or lease, and whether to acquire by operating or finance lease.
9. The Boards shall follow good procurement processes for the acquisition of assets over \$10,000. This may include placing a notice on the Government Electronic Tendering System (GETS) for acquiring assets with a combined value over \$100,000; obtaining several quotes to compare value for money; and managing any potential conflicts of interest appropriately.

Information Technology Assets

10. All information technology assets, such as computers and laptops and associated software, must be compatible with the standard operating platform used within the school.
11. The Board aims to provide and maintain a suite of IT assets that provides the best possible learning tools for students, within budget constraints, including a record of all machines and consulted on a yearly basis regarding replacement.

Expected Useful Lives

12. The Board agrees on the expected useful lives of the following types of assets:

Buildings – School	18-40 years
Building improvements – Crown	10–20 years
Furniture and equipment	10–15 years
Information and communication technology	4 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets	4 years
Library resources	8 years

Maintenance of Assets

13. The principal shall have delegated authority to maintain the school’s assets in good working order, within the approved budget.

Asset Records

14. A fixed asset register for all assets with a cost of \$1,000 or more shall be recorded in the fixed asset register.
15. Assets that cost less than \$1,000 shall be recorded in a register of valuable assets.
16. A review of assets against the fixed asset and valuable asset registers shall be undertaken at least once a year.

Disposal of Assets

17. The principal shall have delegated authority to dispose of any asset that has reached the end of its useful life (as recorded in the fixed asset or valuable asset registers), provided the original cost of that asset was less than \$10,000. The principal shall report to the board about reasons for disposal, disposal process and any net disposal proceeds.
18. The Board shall approve the disposal of any asset that had an original cost of over \$10,000, including the reasons for disposal, disposal process and use of any disposal proceeds.

Approval

19. 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.
20. 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 Manual, copies of which shall be available to all staff. The school policy manual shall also be made available to students and parents at their 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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