

# ROSENEATH SCHOOL FINANCE POLICY

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**GENERAL STATEMENT:** the Roseneath School Finance Policy deals with the financial management of the School. The desired outcomes of the Roseneath School Finance Policy are that:

- *Roseneath School allocates funds to reflect the priorities as stated in its Charter;*
- *Roseneath School expenditure is monitor and controlled; and*
- *ensure that annual accounts are prepared and audited as required by the Public Finance Act 1989 and the Education Act 1989.*

In the formulation and approval of this Policy the Board has had due regard to the accepted standards of sound financial management and applied these to the School.

**GENERAL STRUCTURE / CROSS-REFERENCES:** the Roseneath School Finance Policy comprises a number of Chapters dealing with different aspects of financial management at the School. Each Chapter is to be read in conjunction with the other Chapters due to the interconnected nature of finance issues. Cross-references to other policies will generally be appropriate. Staff must also take into [Financial Information for Schools Handbook](#).

This policy meets the aims of [National Administration Guideline 4](#).

**APPROVAL:** when the Roseneath School Board of Trustees approved this Policy it was agreed that no variations of this Policy or amendments to it can be made except by the unanimous approval of the Board.

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.

APPROVED:



DATE: 18 July 2017

REVIEW DATE: July 2020



## **ASSET MANAGEMENT POLICY**

The board 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.

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.

### **Acquisition of Assets:**

The board agrees to review the asset management plan annually and agree a budget for annual asset acquisitions.

The Principal shall have delegated authority to purchase assets within the annual asset acquisition budget, following good procurement processes, provided that the value of any individual asset is no more than \$10,000.

The decision to purchase any asset with a cost of over \$10,000 must be made by the Board, not the principal alone.

The board shall consider the most cost efficient acquisition method for each new assets acquisition decision i.e. whether to buy or lease, and whether to acquire by operating or finance lease.

The board 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:**

All information technology assets, such as computers and laptops and associated software, must be compatible with the standard operating platform used within the school.

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 replacement programme that matches the expected useful life of each asset.

### **Expected Useful Lives:**

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:**

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

**Asset Records:**

A fixed asset register for all assets with a cost of \$1,000 or more shall be recorded in the fixed asset register.

Assets that cost less than \$1,000 shall be recorded in a register of valuable assets.

A review of assets against the fixed asset and valuable asset registers shall be undertaken at least once a year.

**Disposal of Assets:**

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.

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.

## **ENTERTAINMENT POLICY**

The Board 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.

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### **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

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 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. 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 Purchases:**

The school should only purchase alcohol 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.

## **SENSITIVE EXPENDITURE POLICY**

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 unreasonable and personal benefit from those funds to any individual or group of individuals (staff or students).

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.

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 and will be supported by appropriate fund raising specific to that expenditure.

Particular reference should also be made to the board's travel policy in considering expenditure which may benefit individuals or groups of individuals.

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:**

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:

- Does the expenditure benefit student outcomes?
- Does the expenditure represent the best value for money?
- Is it in the budget?
- Could the board justify this expenditure to a taxpayer, parent or other interested party?
- How would the public react if this expenditure was reported by the media?
- Would there be perceived to be any personal gain from this expenditure?
- Does this expenditure occur frequently?

Any proposed expenditure which may benefit individuals or groups of individuals will be backed by funds which have been raised for the purpose. The funds will be raised with a full understanding of their purpose known to those contributing the funds – such as parents or other funding sources (e.g., Charities). The funds raised will cover all costs (including travel and accommodation costs for teachers who may be involved).

### **Accounting for expenditure:**

All expenditure which is incurred on behalf of individuals or groups of individuals will be fully accounted for and a separate income statement for management reporting purposes showing all funds raised and expenditure incurred will be provided to the board.

## THEFT AND FRAUD PREVENTION POLICY

The board 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 set out below.

### General:

As preventative measures against theft and fraud the Board requires the Principal to ensure that:

- The School's physical resources are kept secure and accounted for.
- 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 Crown Entities Act 2004 and of generally accepted accounting practice promulgated and supported by the Institute of Chartered Accountants of New Zealand.
- 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.
- 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

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.

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.

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.

### Procedures:

In the event of an allegation of theft or fraud the Principal shall act in accordance with the following procedures:

1. Decide to either immediately report the matter to the New Zealand Police or proceed as outlined in this paragraph.
2. So far as it is possible and within 24 hours:

- a. Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud;
  - b. 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;
  - c. 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;
  - d. Inform the Board Chairperson of the information received and consult with them as appropriate.
3. 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.
4. The Principal shall then carry out the following procedures:
- a. Investigate the matter further;
  - b. If a prima facie case is thought to exist to continue with their investigation;
  - c. Invoke any disciplinary procedures contained in the contract of employment should the person be a staff member;
  - d. Lay a complaint with the New Zealand Police;
  - e. If necessary, commission an independent expert investigation;
  - f. 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;
  - g. Seek legal advice; or
  - h. Inform the Manager, National Operations, Ministry of Education local office and/or the school's auditors.
5. 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.
6. If a case is considered to exist the Principal or a person designated by them shall, unless another course of action is more appropriate:
- a. 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.
  - b. Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.
  - c. 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).
  - d. Advise the person in writing of the processes to be involved from this point on.

#### *Allegations Concerning the Principal or a Trustee*

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.



## TRAVEL POLICY

The board 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.

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.

### 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:

1. Under no circumstances may any staff member approve their own travel.
2. 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.
3. Travel bookings are not to be made using manual cheques or credit cards.

#### *Travel within New Zealand*

4. 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 should authorise any travel by the Deputy Principal and the Board should authorise any travel by the Principal).
5. All domestic air travel is to be economy class.

#### *International Travel*

6. 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.
7. 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. The Board will approve the travel in writing.

8. 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.
9. Except where the flight time exceeds 10 hours, all international air travel is to be economy class.
10. Business class travel may be approved, where the Board considers appropriate, for travel more than 10 continuous hours in duration.
11. 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*

12. Staff should opt for good but not superior accommodation, for example Qualmark 2 star accommodation and must be prepared to justify exceptions to this rule to the Board.
13. 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*

14. 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.
15. 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.
16. If taxis are used, then 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*

17. 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".
18. For travel within New Zealand, actual and reasonable expenses are those incurred above the normal day to day costs. For example, a staff member would normally incur personal expenditure for lunch on a daily basis and the cost of lunch when travelling should not be reimbursed unless the costs are greater than that normally incurred.
19. All personal expenditure is to be met by the staff member. Examples of this are mini bar purchases, in house movies, laundry and private phone call charges are to be paid separately by the travelling staff member.
20. All receipts must be retained and attached to the travel claim. The claim is to be authorised on a one-up basis.
21. For expenditure incurred in New Zealand of value greater than \$50 (including GST) there should also be a GST invoice to ensure that GST can be reclaimed by the School.
22. Authorisation can still be given for expenditure less than \$50 where there is no receipt, for example if it is not practical to obtain a receipt or if the receipt is lost. The expenditure can be reimbursed provided there is no doubt about its nature or the reasons for it.

#### *Discretionary Travel Benefits*

23. Travel benefits, including airpoints and loyalty scheme rewards/points (Flybuys, Global, etc), accrued from official travel are only to be used for subsequent travel on behalf of the School. They should not be redeemed for personal use.
24. Staff must travel by the most direct route unless scheduling dictates otherwise.

25. 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.