

MICHAEL PARK SCHOOL AND KINDERGARTEN POLICY

FINANCIAL MANAGEMENT

Rationale

The Board of Trustees (BOT) is responsible for the management, organization and administration of the school (Section 75 of the Education Act, 1989).

Through effective governance, the Board of Trustees will be responsible for the financial management of the school. According to NAG 4 the Board of Trustees is required to allocate funds to reflect the School's Charter priorities; to monitor and control school expenditure and to ensure that the annual accounts are prepared and audited as required by the Public Finance Act 1989 and the Education Act 1989).

Purpose

- To ensure accountability for the control of school finances.
- To report to all interested parties and present accounts for audit
- To ensure efficient and appropriate use of funds.

Guidelines

Governance

The Board maintains a governance role which includes the establishing and maintaining financial policies, setting strategic direction for the school and allocating resources to achieve the school goals.

Every school trustee has the responsibility for ensuring they understand key financial information.

Principal

The Principal is the CEO for the Board. The BOT delegates its day to day financial management responsibilities to the Principal. The Principal has the responsibility for ensuring that the Board's obligations are met. The Principal ensures systems are in place to ensure the school is managed, organized and administered. The Principal makes decisions on what systems are needed to ensure the Board is able to attest to its legal obligations.

The Principal is responsible for maintaining sound financial systems, understanding key financial information about their school and providing appropriate reporting.

The Principal is responsible for monitoring and controlling school expenditure to make sure that the money is spent on the school's priorities as planned and budgeted.

The Principal will ensure the Board receives:

- regular monthly reports
- annual audited financial reports

The Principal may delegate financial management tasks to school employees and may also pay for external accounting services. The Principal retains full responsibility for the financial records and reporting.

<http://www.minedu.govt.nz>

Financial information for Schools Handbook

Controls and Procedures

The Board will ensure that controls and procedures are developed to enable the financial management of the school to effectively operate on a day to day basis, The Principal is charged with the responsibility of ensuring the day to day controls and procedures are in place.

These controls are regularly monitored for their effectiveness, together with staff compliance through the annual auditing process. To this end the Board appoints an external, MOE approved auditor. The auditor's annual report attests the following:

The controls and procedures:

1. Comply with current legislative requirements.
2. Through financial systems and reports, provide accurate accountability,
3. Through compliance, ensure the integrity of all persons involved in the financial management of the school.
4. Delegate authority from the Board (Governance) to the Principal (Management).
5. Ensure that all financial commitments being made on behalf of the school are authorised in advance and also recorded to give accountability at all times.
6. Ensure the security of the school funds and assets at all times.
7. Ensure the correct and timely allocation of funds for both the Board and the Proprietors.

Budget and Accounts

The Education Act 1989 requires that budgets are shown in Statements of Financial Performance (Income Statement), Statements of Financial Position (Balance Sheet) and Cash Flow Statement.

The Board will ensure the timely preparation and authorisation of an effective and attainable annual financial budget. The budget must ensure that the school meets current MOE curriculum requirements, complies with current legislation and is considered to be an 'ongoing concern'. The approved budget will form the basis of the Board's delegation of authority to management for expenditure during the ensuing year.

1. The Board will each year prepare a budget based on the aims of the annual plan and to present the budget to the full Board for approval.
2. The school will establish clear guidelines, including delegations and accountabilities, for the efficient management of each section of the budget.
3. Appropriate financial management procedures and practices are followed in line with Public Sector Finance requirements and guidelines set out by the Ministry of Education.
4. Accounts will be presented at each Board meeting and a statement of financial position will accompany this.

5. Each year a full report on the school's financial position will be presented.
6. All accounts held within the school will be monitored.
7. Each financial year a set of accounts will be prepared in a timely and appropriate fashion, including Statement of Service Performance.
8. An auditor will be appointed for the school.

Financial Statements

Through the Principal the Board will monitor monthly the cumulative accounts for budget compliance. The Board will ensure that it is fully informed regarding any variances against budget and is prudent in taking action where necessary to ensure that the school is able to meet future financial commitments.

The Board will ensure the annual financial statements are accurate and prepared on a timely basis. The annual financial statements must meet current legislative requirements with regard to disclosures and statutory reporting timeframes.

The Board will take notice of any issues raised at the annual financial audit and undertake any actions necessary to remedy any weaknesses that have been brought to their attention.

Fee Collection

In order to ensure the economic life of the school, families choosing to enroll their children are required to complete and sign a Financial Agreement Form.

The school requires all school fees to be paid.

A child will not be barred from receiving Steiner Education in the case of unforeseen hardship, provided fee arrangements are discussed prior to the child starting with the RSST and agreed by them. Other support systems are also available. In situations where additional support is granted to families to enable the children to receive a Steiner Education at Michael Park, confidentiality will be maintained at all times.

The Board of Trustees will ensure that all disbursement costs are recovered.

Long Term Financial Planning

The Board will undertake and regularly review long term financial management planning to ensure that the school can meet the cost of maintenance, resources and other commitments outside the annual financial budget.

Conflict of interest

Actual and potential conflicts of interest must be declared and managed appropriately.

What constitutes a conflict of interest?

A conflict of interest arises where a trustee has an interest that conflicts (or might conflict, or might be perceived to conflict) with the interests of the board itself. That interest may relate to money or any other potential benefit.

The key question to ask when considering whether an interest might create a conflict is:

“Does the interest have the potential to create an incentive for the trustee to act in a way which may not be in the best interests of the school?”

Types of conflicts of interest

A conflict of interest may take a number of forms. It may be financial or nonfinancial. It may be direct or indirect. It may be professional or family related.

A conflict of interest may arise from:

- family relationships
- existing professional or personal relationships
- directorships or other employment
- interests in business enterprises or professional practices
- share ownership

Section 75 of the Education Act, 1989; Public Finance Act 1989; The Public Finance Act 1989, The Financial Reporting Act 1993 and relevant Financial Reporting Standards and Section 4 of the National Administration Guidelines Section 66 of the Education Act 1989. Education Act 1989 -s3 and s87, NAG 4, s168 Crown Entities Act 2004

Ratified by Board/RSST:



Signed for BOT/RSST

Date: 19/02/2018