

## **4.1 Financial Management**

Includes Theft and Fraud Protection & Reserves

### **Statement of Intent**

Onslow College allocates and controls financial resources for the benefit of the school in an efficient, transparent and accountable way.

### **Board Expectations**

The Board's expectations regarding the allocation and control of financial resources are that:

- the school complies with all current accounting legislation, accounting standards and gazetted notices.
- an annual budget is prepared based on the goals set out in the school charter and annual plan within agreed timeframes
- financial reporting is timely, accurate and complete
- delegated authority to incur expenditure is documented
- audit trails are clear and records are accessible.

### **Supporting Documents**

The board expects that the following documents outlining management policies, procedures or practices are in the school. Where they have been developed by the school they will be regularly reviewed by management. These documents are available to the board through the principal:

- finance manual
- budget process
- theft and fraud protection procedure
- credit card procedures

### **Delegations**

The implementation of this policy is delegated to the Principal and Business Manager

*Review date August 2018*

*Date for next review August 2021*

## Theft and Fraud Prevention Procedure

### Introduction

1. 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.
2. 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

3. 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 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 the School.
4. 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 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. If it is determined that further investigation is required then the Principal shall 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 school's auditors.
    - ix Notify the school's insurers
  - 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.
    - 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.
5. 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.
6. 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.
7. 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**

8. 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 Procedure.
9. 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 Procedure.

#### **Approval**

10. When the Board approved the Procedure it was agreed that no variations of this Procedure or amendments to it can be made except by the unanimous approval of the Board.
11. As part of its approval the Board requires the Principal to communicate this Procedure to all staff, and for a copy to be included in the Procedure Manual, copies of which shall be available to all staff. The school Procedure manual shall also be made available to students and parents at their request.

# **ONslow COLLEGE**

## **Credit Card Procedures**

### **Statement of Intent**

The Board may approve the issue of a credit card to College staff members for use that is clearly linked to the business of the College.

### **Board Expectations**

Credit cards will only be issued to staff members after being authorised by the Board.

A register of cardholders will be maintained.

The Board requires the Principal to circulate these guidelines to all staff allocated a credit card and those staff will countersign confirming agreement to the conditions outlined in these procedures.

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 approval.

The credit card is only to be used for expenditure directly related to the College and may be used for payment of actual and reasonable travel, accommodation and meal expenses incurred on College business. The card may not be used for the purchase of alcohol.

If the school has an account with the supplier, purchases should be charged to that account rather than using the credit card.

All expenditure charged to the credit card should be supported by:

- A credit card slip
- A detailed invoice or receipt to confirm that the expenses are properly incurred on 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

The credit card statement should be certified by the cardholder as evidence of the validity of expenditure.

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 should authorise any travel by the Principal). Cardholders are not allowed to approve their own expenditure.

All purchases should be accounted for within 5 working days of receiving a credit card statement and be recorded on the approved reporting form.

Cash advances are not permitted except in an emergency. 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 College.

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

### **Cardholder Responsibilities**

The cardholder may not use the card for any personal or part personal expenditure.

The cardholder must protect the PIN of the card.

The cardholder must ensure the safe storage of the credit card.

The cardholder must only purchase within the credit limit applicable to the card.

The cardholder must notify the credit card company and the College immediately if the card is lost or stolen.

The cardholder must return the credit card to the College upon ceasing employment in the College or at any time upon request by the Board.

### **Supporting Documentation**

The Schedule of Delegations to the Principal

The Financial Management Policy

### **Delegation**

The Board requires the Principal to implement and manage these guidelines.

These guidelines must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under these guidelines must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.

### **Signature Section for Authorised Cardholders**

I have read and understood these guidelines and agree to abide by them.

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Name	Signed
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Date

### **Expectations for recording credit card transactions for the monthly account**

Each cardholder must retain all credit card payment slips and invoices paid using the card during the month.

When the credit card monthly account statement is received, each cardholder must complete a full transaction summary form and reconcile that to the account.

Those summary forms are to be attached to the monthly statement for approval by the principal (or Board Chairperson for the principal).

### VISA TRANSACTION SUMMARY

NAME:

DATE:

	Item	Amount - \$	Detail / Reason for purchase	Cost Centre
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Approved for payment \_\_\_\_\_

date \_\_\_\_\_