

# TARNEIT RISE PRIMARY SCHOOL FINANCIAL MANAGEMENT POLICY



## Help for non-English speakers

If you need help to understand the information in this policy please contact the school office on 7002 6580.

## RATIONALE

School Councils must comply with the Education and Training Reform Act 2006 and the Education and Training Reform Regulations 2007 Section 36 (1) by ensuring that the school receives and expends all moneys for proper purposes, keeps records explaining their financial operations and position, follows financial processes and procedures that are effective, regularly audited and designed and managed to reduce risk with a separation of duties.

A major responsibility of School Councils under the Education and Training Reform Act 2006 is to “ensure that all moneys coming into the hands of the Council are used for proper purposes”.

## AIMS

To ensure that all legislative and the Department of Education and Training (DET) financial requirements are met.

To ensure that Tarneit Rise Primary School Council complies with the Education and Training Reform Act 2006 and the Education and Training Reform Regulations 2007 Section 36 (1) and the Financial Management Act 1994.

To ensure that all payments made to the school are receipted correctly, banked into the School Council Official Account and auditable.

To provide reasonable assurance that the financial activities under direct control of the School Council and the financial governance and financial management of the school comply with legislation.

## IMPLEMENTATION

The School Council will maintain records in a form that will:

- ensure that all money payable to the Council is properly collected;
- ensure that all money expended in the Council’s name is properly authorised and expended;
- ensure that adequate control is maintained over assets held in the name of the Council or in the Council’s custody;
- ensure that all liabilities incurred in the Council’s name are properly authorised;
- ensure efficiency and economy of operations, and avoidance of waste and extravagance;

- ensure adherence to prescribed DET and school policies

To ensure that the instructions referred to above are complied with, the School Council will work with the Principal and other appropriate staff to develop necessary processes and procedures.

School Council may have a Finance Sub-Committee which handles many of the routine financial responsibilities and provides a report and recommendations to Council. If it does not, School Council will undertake all responsibilities. The Convenor of the Finance Committee, as elected from Council members, preferably is a non-department member or a community member.

Unless authorised by the Minister, the School Council may not:

- enter into hire purchase agreements
- obtain credit or loans

School Council Minutes will record any decisions that are made, and any motions that are ratified.

At the start of each year, and whenever subsequently necessary, School Council will action the following:

- Table, sign and approve end-of-year financial reports.
- Approve any amendments to the indicative school cash budget for the new school year.
- Nominate/endorse signatories for all school bank accounts.
- Endorse the list of officers approved to authorise official order forms.
- Approve any proposed fundraising events for the year.
- Endorse proposed GST treatment of fundraising events.
- Endorse the treatment of GST from canteen operations (e.g. input-taxed).
- Minute whether the subsidised funding of camps or excursions are approved.
- Minute the profit and loss statement for trading operations (e.g. canteen and uniform shop).
- Endorse the cash handling policy.
- Endorse the parent payment policy.
- Endorse the school electronic funds management policy.
- Endorse the school purchasing card policy.
- Endorse the school purchasing card register (of card holders, card limits, cancellations and expiry dates).
- Approve the current list of volunteers working in the school and any additions to the register during the year.
- Set dates for school council meetings (with a minimum of 8).

In addition, School Council will approve the financial statements for the previous year, ensure that an annual Master Budget is approved prior to the commencement of each year, and prepare an annual report including a section relating to financial activities.

At each meeting, Council will be provided with financial reports that provide the following information:

- All bank balances.
- Creditor invoices awaiting payment.
- Payments to be ratified for the previous month.
- Budget vs. Actual financial information.
- Outstanding orders.

On an ongoing basis, School Council will ensure that progress against budget projections is regularly reviewed, and any necessary adjustments are made, and monthly Purchasing Card statements and associated documentation is tabled and reviewed.

The Principal is responsible for overseeing the day-to-day administration of the school's finances in line with Council decisions. Accordingly the principal will ensure that:

- appropriate financial procedures are developed to ensure the effective and efficient operation of the school in accordance with Department guidelines
- information about the school's financial position, including the School Resource Package (SRP) position, is made available to the Council and its Sub-Committees
- the budget planning process and the administration of the budget throughout the year are supported with full documentation.

The principal will make available for inspection by any person interested in the work of the school, a copy of the financial statements of the School Council certified by the principal and the School Council President for the most recent year ending on 31 December.

The School Council and the Principal have responsibilities for:

- Internal Controls
- Budgeting
- Financial Reporting
- Fund Raising

For full information on these responsibilities please refer to The Financial Manual for Victorian Government Schools October 2016, page 3.

School bank accounts will:

- only be opened or closed with the written authority of the School Council
- be with an Authorised Deposit-Taking Institution(s)
- be in the name of the Council, with the exception of the High Yield Investment Account
- have the principal (mandatory) and a Council member registered as co-signatories
- be reconciled each month
- be audited in accordance with the department's requirements
- be maintained on CASES21
- be managed according to requirements detailed in the Finance Manual for Victorian Government Schools October 2016.

The Business Manager, even if a member of Council, may not be a signatory to accounts.

All payments will be authorised by the principal and a nominated member of the Council. Signatories should ensure that payment claims are supported by:

- properly authorised purchase orders and quotes where applicable
- certified invoices
- correctly endorsed delivery dockets or proof of receipt of goods or services
- have been checked for correctness, in particular:
  - quantities or price variance from the approved purchase order
  - authorisation of any variance of supply or price
  - ensuring payments are not duplicated

The School Council will ensure that payment schedules are accurate, the potential for variance and exceptions is built into the budget and significant expenditure items are accurately costed and follow DET policy.

The school will ensure accountable documents are:

- recorded in a register which is initialed when documents are issued
- issued consecutively;
- filed when completed;
- stored securely for the required retention period;
- shredded if no longer required

The Council is empowered to purchase and/or maintain goods, equipment and materials for carrying out its functions, subject to Part 2.3 of the Education and Training Reform Act 2006.

### **Requirements**

- all paid invoices are to be clearly marked "PAID"
- invoices are to be paid within the permitted credit period – where relevant, invoices are to be paid within time to obtain any discounts being offered;
- quotes or tenders are to be obtained, as per current Government Purchasing Guidelines (refer below to "Quotation Threshold") and purchase orders raised and authorised;
- once authorised, orders are to be recorded on CASES21 to accurately determine commitment against the Annual Master Budget;
- with electronic order forms, the commencement date and first order number is to be recorded in the Accountable Documents Register;
- order forms are not to be used for private purchases
- the person receiving the goods is to be different from the person authorising the order;
- goods received are to be checked against delivery docket;
- the delivery docket is to be checked against the supplier's invoice and purchase order;
- the person checking the invoices for accuracy, signs and accepts responsibility;
- all documents are to be retained.

### **Purchasing**

School Council has authority to purchase or maintain the goods, equipment and material necessary to carry out its functions and must ensure that the school complies with the Department's Finance Manual for Victorian Government Schools October 2016 including:

- adhering to purchasing thresholds requirements
- obtaining best value for money
- issuing purchase orders for all goods and services purchased
- not allowing use of a school purchase order to buy items for personal use
- confining the authority to sign purchase orders to the principal or a designated officer
- recording the persons authorised to sign purchase orders in the school council minutes
- leasing equipment under an operating lease where, at the end of the lease the equipment is returned to the supplier at no further cost to the school
- not leasing equipment under a finance lease where, at the end of the lease ownership of the equipment would pass to the school on payment of a residual value.

School Council:

- may not purchase a motor vehicle without the written consent of the Regional Director
- should develop school policy and guidelines for permitted usage
- must take out a comprehensive insurance policy with specific indemnity to the Crown

- must register the vehicle in the name of the school council, not in a person's name
- must purchase vehicles of Australian manufacture.

#### **Quotation Threshold**

- Less than or equal to \$2,500 requires a minimum of one quote [verbal or written].
- Greater than \$2,500 and equal to \$25,000 requires a minimum of one written quote.
- Greater than \$25,000 and equal to \$150,000 requires a minimum of three written quotes.
- Greater than \$150,000 becomes Public Tender Process

The budget will be reviewed and monitored over the course of the year.

Any changes to the approved budget that affect the 'bottom line' will be minuted at the first available Council Meeting and amended on CASES21 Finance.

Council will be encouraged to prepare a three-year forward plan budget.

A timeline for budget inputs and finalisation will be established.

School Council, through the Principal, also will ensure that effective internal control processes and procedures are in place to support financial management, reduce risk and provide clear audit trails for accountability.

Correct accounting procedures for issuing and cancelling receipts, electronic receipting of moneys received away from the general administration office will be established.  
Personal cheques will not be cashed.

The school will reconcile receipts to banking, bank receipts as soon as practicable, maintain security for the temporary holding of money and not leave money on the premises during school vacations.

#### **School Audit**

The school acknowledges that the revised school audit program from 2016 will be based on an 'agreed-upon procedures' approach, which means that unlike previous years, the school will not receive an audit opinion.

This approach is intended to better assist DET to achieve assurance over school balances and transactions, for the purposes of consolidation into the Department's 30 June financial accounts.

The procedures relate to:

- locally raised funds
- expenditure
- local payroll
- cash at bank
- debtors
- prepayments
- assets
- accruals

The final report will only include exact findings resulting from each procedure performed, and the school will be requested to comment on the factual accuracy of these findings. The school will receive a final copy of the report.

Findings will be shared with the Schools Resource Allocation Branch and Regional Offices to enable central improvements to the school system as well as support to be provided to individual schools where required.

Schools will be selected for the audit program using statistical sampling.

Participation in this audit will not preclude a school from other audits this year. However, the number of times each school is audited each year will be kept to a minimum.

The school will properly prepare for and understand their role in the audit process. The principal and business manager will ensure they have read and understood the financial audit guidelines.

The school co-operate and provide auditors with access to all information and ensure both the principal and business manager are available to answer questions and discuss the preliminary findings (auditors may also ask the School Council president to attend)

For more detailed information, reference will be made to School Council Financial Audits Guidelines to Schools and the School Council Financial Audits website:  
<http://www.education.vic.gov.au/school/principals/spag/finance/pages/finaudits.aspx>

The school is aware of the content in the Department's gifts, benefits and hospitality policy and has developed a local policy to ensure compliance. Staff and School Council are briefed annually.

The Council will report all cases of suspected or actual theft, wilful damage, arson, irregularity or fraud in connection with the receipt or disposal of money or other property of any kind. Other losses and deficiencies not suspected of being the result of theft, robbery or fraud will be judged on individual merits and where appropriate, advice sought from the Regional Office.

If the principal departs the school for longer than two terms, a financial handover statement will be prepared as near as practicable to the last day of duty and ensure all CASES21 records are up-to-date and reflect the handover statement as closely as possible.

The incoming Principal will verify the correctness of the items in the handover statement and will conduct a stocktake.

A copy of the most recent stocktake should be in the files.

Other losses and deficiencies not suspected of being the result of theft, robbery or fraud are to be judged on individual merits. If appropriate, advice will be sought from the Regional Office.

Please refer also to the school's Asset Management Policy, the Cash Handling Policy, School Purchasing Card Policy, Fraud & Corruption Policy, Gifts, Benefits & Hospitality Policy Parent Payments Policy, School Council Legal Framework Policy, Fund Raising Policy and the Archives & Records Management Policy.

## EVALUATION

This policy will be reviewed as part of the school's three-year review cycle or if guidelines change (latest DET update October 2016).

## POLICY REVIEW AND APPROVAL

<b>Created date</b>	September 2017
<b>Policy Number</b>	32
<b>Version Number</b>	7
<b>Consultation</b>	School Council – finance subcommittee
<b>Endorsed by</b>	Principal
<b>Endorsed on</b>	May 2024
<b>Next review date</b>	2027