

FINANCIAL CONTROLS POLICY AND PROCEDURES

*The Currajong School takes a zero-tolerance approach to child abuse and is fully committed to ensuring that its strategies, policies, procedures and practices meet all **Child Safe Standards as specified in Ministerial Order No. 1359 (2022)***

PURPOSE

The purpose of this policy is to protect The Currajong School against financial misconduct by:

- Ensuring that all expenditures made in the name of the organisation are authorised and independently reviewed.
- Guarding against any potential abuse of receipts and payments procedures, while maintaining flexibility and avoiding unnecessary formality.

POLICY

- 1.1 Financial transactions carried out in the name of The Currajong School shall, as far as possible, be governed by the following principles.
- 1.2 No payments shall be made in the name of The Currajong School unless such payment has been authorised by the board.
- 1.3 Payment authorisation can be made either through board approval in the annual budget or by other avenues approved by the board (such as through a written delegation of the board).
- 1.4 Complete records of payment authorisation should be kept on file.
- 1.5 The Board, through the Business Manager, shall have continuous access to The Currajong School's bank statements, accounts, books and records.
- 1.6 No single person shall have the authority to carry through all processes (budgeting, authorisation, payment, approval) to do with any:
 - payment
 - approval of an agreement or contract with an external party
 - loan from The Currajong School's funds
 - contract of employment.

- 1.7 Any person who has an actual or potential conflict of interest in respect of any:
- payment
 - approval of a supplier
 - approval of an agreement or contract with an external party
 - loan from The Currajong School's funds
 - contract of employment,
- must declare that conflict of interest to the board and either comply with any board direction or withdraw from involvement in the transaction.
- 1.8 All payments (except credit card and petty cash payments) shall require signatures (or equivalent validations) from two persons with properly delegated authority, as recorded in the Delegations of Authority Register.
- 1.9 Financial transaction cards may only be issued to a person approved by the board.
- 1.10 Cardholders and persons making a payment out of petty cash (**Payor**) must obtain a tax invoice or receipt for each transaction. If a tax receipt is lost or misplaced, the Payor must provide a written statement setting out the details of the transaction. Tax invoices or receipts and statements must be provided to the Principal or Business Manager with each monthly account statement.
- 1.11 The Principal, Business Manager and Board Chair are signatories to bank accounts. The Board may approve additional signatories.

FINANCIAL CONTROLS PROCEDURES

1. RESPONSIBILITIES

It is the responsibility of the board to:

- Approve a budget for The Currajong School and authorise any departures from that budget.
- Maintain supervision of the financial progress of the organisation.

It is the responsibility of the Principal to ensure that:

- Procedures consistent with this policy are implemented.
- Reports on the implementation of these procedures are regularly submitted to the board.
- Staff and volunteers are aware of this policy and these procedures.
- The Delegations of Authority Register is maintained.
- Any breaches of this policy or procedures are dealt with appropriately.

It is the responsibility of all employees and volunteers to ensure that any payment made on behalf of the organisation conforms to this policy and those procedures.

2. PROCESSES: PAYMENTS

Financial transaction card issue and use

- 2.1 Any organisational financial transaction cards (credit or pre-paid debit cards) may only be issued to a board member or staff member where their functions and duties would be enhanced by their use. Cards will thus be issued only to people approved by the board. A list of cardholders shall be held by the Business Manager and be made available to the Board Chair on request.
- 2.2 Other persons may be added to the list by the board.
- 2.3 Financial transaction cards may be issued on a temporary basis and recovered afterwards.
- 2.4 Each financial transaction card will be issued to a specific person, who will remain personally accountable for the use of the card. Cardholders will sign a declaration to this effect.
- 2.5 Only the authorised signatory may use the card. No more than one card shall be issued per cardholder. Credit limits as appropriate shall be set for each card by the issuing authority.

Cardholder's responsibilities

- 2.6 The Cardholder shall:
 - In all cases obtain and retain sufficient supporting documentation to validate the expense (e.g. tax invoice or receipt) or provide a written statement in lieu (the Principal may require a statutory declaration).
 - Attach supporting documentation to the monthly statement from the bank.
 - Review the monthly statement for inaccuracies and report these to the Principal or Business Manager.
 - Notify the bank and the Principal or Business Manager (or in the case of the Principal, the Board Chair) immediately if:
 - The card is lost or stolen
 - Any unauthorised transaction is detected or suspected
 - A personal expense has inadvertently been charged to the card.
 - Notify the Principal or Business Manager and the bank of any change in name or contact details.
 - Take adequate measures to ensure the security of the card.
 - Cease using the card and promptly return the card to the Principal or Business Manager if:
 - The cardholder resigns
 - The Principal determines that there is no longer a need for the cardholder to retain their card
 - The card has been cancelled by the bank.
 - Be personally liable for any unauthorised transaction unless the card is lost, stolen or subject to fraud on some part of a third party.
- 2.7 The Cardholder shall not:
 - Exceed any maximum limits set for the card.

- Obtain cash advances through the card.
- Use the card for any illegal purchases.
- Authorise their own expenditure.
- Claim double allowances (i.e. request reimbursement for an expense already paid by the card).

Card expenditure

- 2.8 The card will only be used for purchases that are directly associated with the cardholders' function within the organisation.
- 2.9 Where doubt exists as to whether an item is function-related, prior authorisation should be obtained from the Principal (or, in the case of the Principal's own card, the Chair of the Board).
- 2.10 Where private expenditure occurs on the same transaction as a corporate expenditure (e.g. a person purchases work supplies with their groceries at the supermarket) the cardholder must settle the private expense prior to charging the balance on the organisational card.
- 2.11 The use of the corporate card for "services of a dubious nature" is expressly prohibited. "Services of a dubious nature" are defined as any goods or services that could bring the name of the organisation into disrepute.

Card expenditure review

- 2.12 Records of all expenditures made on the card must be reviewed by the Cardholder's supervisor, with a view to establishing both the need for the expenditure and the authorisation of the expenditure.

Card misconduct

- 2.13 Wherever a breach in this policy occurs, the Principal will assess the nature of the breach and may institute an appropriate disciplinary process, including:
- counselling and/or verbal warning
 - a diary or file note created and retained on employee's personnel file
 - a written warning.
- 2.14 Where the Principal considers that the breach is such that serious sanction is appropriate, the Currajong School's right to summarily dismiss an employee for serious misconduct may be exercised.
- 2.15 The Principal may determine whether to report a breach of the policy to the police for criminal investigation.
- 2.16 Following report of a breach, at the next Board meeting, the Principal shall report:
- the investigation of the circumstances of the breach
 - any police reports and action
 - any disciplinary action taken.

Bank accounts

- 2.17 Bank accounts may only be opened in The Currajong School's name, or to hold The Currajong School's funds, when authorised by a person with the appropriate authority as recorded in the Delegations of Authority Register.
- 2.18 Any variations to banking arrangements can only be made by a person with the appropriate authority as recorded in the Delegations of Authority Register.

Bank transfers

- 2.19 Each payment must be supported by an invoice, receipt, or other appropriate documentation. Authorisations must be attached to this documentation prior to payment.
- 2.20 Bank transfers above \$10,000 to suppliers must be approved by the Board, as per the Delegations of Authority Register.

Petty cash

Petty cash limit

- 2.21 The amount of the petty cash float shall be as determined by the Principal from time to time, but in general should not exceed \$250. Any amount in the petty cash float over \$250 shall be returned to general funds.

Petty cash use

- 2.22 The Business Manager shall ensure that petty cash is used only to cover expenses for which it is not feasible or is unreasonably inconvenient to use normal purchasing methods. Any expense that is predictable, regular, and significant should be dealt with through normal accounting procedures.
- 2.23 The limit of \$250 shall not be evaded through splitting of items into smaller amounts.
- 2.24 The Business Manager shall require all petty cash expenses incurred are supported by acceptable documentation (receipts, tax invoices, copies of staff travel diaries, etc.) and that the documentation relating to each payment shall be sufficient to establish the nature of the expenditure.
- 2.25 Acceptable supporting documentation of payments from the Petty Cash float shall be retained and submitted to the Business Manager each month.
- 2.26 The Business Manager shall report the loss of any Petty Cash funds to the Principal as soon as the loss is discovered.
- 2.27 Petty cash should be kept in a secure (locked) location and the key held securely.

Cash

- 2.28 Except when classified as Petty Cash, all cash receipts shall be:
- Kept in a supervised or secure (locked) environment, and

- Deposited in the organisation's bank accounts within three working days.

3. PROCESSES: OPERATIONS

Purchases

- 3.1 All purchases must be requested through a purchase order on the appropriate form, which must specify the authorising officer for the transaction.
- 3.2 All items received are to be checked against purchase order and recorded as supplied to specification
- 3.3 Once the receipt of the item has been recorded, the purchase order is forwarded to the Business Manager with invoice for payment.

Reimbursement of expenses

- 3.4 The Currajong School will reimburse its staff (including volunteers) for reasonable and authorised expenses incurred by them on behalf of The Currajong School or in the course of The Currajong School business.
- 3.5 Staff and volunteers incurring authorised expenditure must, wherever possible, receive, retain and produce receipts, invoices, vouchers, tickets, or other evidence of such expenditure. Such evidence should be attached to a Request for Reimbursement form and submitted to the Business Manager.
- 3.6 The Business Manager is responsible for determining if the expenses being claimed are reasonable given the circumstances, and for ensuring they are charged against the appropriate account, and that any requirements under the Fringe Benefits Tax legislation have been met.

Prohibited reimbursements

- 3.7 The Currajong School will not reimburse staff or volunteers for:
 - Unauthorised expenses
 - Expenses claimed by an employee as a tax deduction
 - Expenses normally recoverable from a third party
 - Claims for purchases that are required to be made under a Currajong School purchase order
 - Expenses that are not incurred for business purposes
 - Late payment interest on credit cards
 - Parking, traffic, or other fines and penalties

Provision of hospitality

- 3.8 Appropriate hospitality charges include events hosted or sponsored for the purpose of promoting The Currajong School's work or enhancing its image, and include meals that are related to the transaction of The Currajong School business.
- 3.9 When The Currajong School employees and/or volunteers dine together while on The Currajong School business, it is appropriate for the **senior person** (if any) to arrange payment and submit the claim for reimbursement.

Fundraising

- 3.10 Two or more parents of the students of the School or staff members may be designated as 'Responsible Persons' for each school fundraising event or other approved events where monies may be collected for The Currajong School.
- 3.11 It is the Business Manager's responsibility to ensure that the nominated Responsible Persons for each fundraising activity are familiar with this policy and procedures.

4. RELATED DOCUMENTS

- Delegations of Authority Register
- List of Authorised Cardholders
- List of Authorised Signatories
- Fundraising Policy

EVALUATION

This policy will be reviewed as per our three-year review cycle or more often if necessary due to changes in regulations or circumstances.

Approval date:	Approved by:	Next review:
June 2024	School Board	June 2027



The Currajong School acknowledges the traditional owners of this country throughout Australia and their continuing connection to land and community. We pay our respects to them and their cultures and to the Elders past, present and emerging.