



Khandallah School **Statement of Policy**

“Financial Management”

National Administration Guideline 4

According to legislation on financial and property matters, each Board of Trustees is also required in particular to:

- (i) allocate funds to reflect the school's priorities as stated in the charter;*
- (ii) monitor and control school expenditure, and ensure that annual accounts are prepared and audited as required by the Public Finance Act 1989 and the Education Act 1989;*
- (iii) comply with the negotiated conditions of any current asset management agreement, and implement a maintenance programme to ensure that the school's buildings and facilities provide a safe, healthy learning environment for students.*

Desired Outcome

- The School's financial resources are used to achieve the school's priorities, as stated in the Charter and further developed in the Annual Plan;
- The assets of the School are safeguarded for future generations of students;
- The School complies with all relevant legislation relating to financial management and reporting.

Principles

- The Board believes that it can provide more effective governance over the School's financial resources through the establishment of a Finance Committee. The Finance Committee shall be established by resolution of the Board and the Board shall approve its Terms of Reference and membership.
- Accounting practices and financial management procedures shall be in compliance with Public Sector Accounting Concepts and Ministry of Education guidelines;
- Financial Statements shall be prepared and audited as required by the Public Finance Act 1989 and section 87(3) of the Education Act 1989;
- Control of expenditure and monitoring of revenue and expenditure shall be rigorous with records of all financial transactions being correct and up-to-date at all times;
- Appropriate internal control systems are in place to safeguard the school's assets and ensure the integrity and reliability of financial reporting.

Board Responsibilities

The Board has specifically retained the following financial management responsibilities:

- Approval of the Financial Management Policy;
- Approval of the annual Financial Statements and supporting Statements of Accounting Policy;
- Approval of the Annual Plan, Operating and Cashflow Budgets and any reforecasts;
- Setting the amount of the Parent Voluntary Donation;
- Setting the level of fees for any fee-paying students;
- Approval of any form of borrowing, the acquisition or leasing of land, or any form of investment, as covered by sections 67, 69 and 73 respectively of the Education Act 1989;
- Appointment of the auditor and confirmation of the audit fee.

Finance Committee Responsibilities

The Finance Committee is responsible for:

- Development of accounting policies and practices and financial management procedures, including appropriate systems of internal control;
- Development of the annual Operating and Cashflow Budgets and any reforecasts, to ensure that funds are allocated to reflect the school's priorities;
- Control of expenditure and monitoring of revenue and expenditure;
- Preparation of draft Financial Statements and management of the audit process.

Delegated Authority

The Principal is responsible for the implementation of this policy, the day-to-day management of the school's finances within agreed budgets and the implementation of the systems of internal control.

Supporting Documentation

Annual Report & Financial Statements, including statements of accounting policy, and the Auditor's Report;

Board financial reports, including a summary of aggregated revenue and expenditure compared to Budget;

Internal Controls; Asset Register.

Date of Approval

Approved by the Board of Trustees at its meeting

on November 2011

Board Chairperson

Date of Review: This Statement of Policy will be reviewed by the Board of Trustees on or before 31 December 2013.