

Governance Policy

What guides us:

Living Te Tiriti o Waitangi
Ensuring ākonga are at the centre of everything we do
Delivering high-quality, future-focused teaching and learning

Poipoi – Kauawhi – Tāuteute – Pūnaha Auaha – Ārahi
Nurture - Include - Engage - Innovate - Lead

FINANCIAL PLANNING AND CONDITIONS GOVERNANCE POLICY

Date of approval	: 8 November 2023
Date first created/This version no.	: 2023/1
Next review date (1 year cycle)	: 2024
Owner	: DCE Systems and Support
Who does this policy apply to	: All kaimahi

Outcome statement

Te Kura Board of Trustees (the Board) recognises its responsibilities with respect to financial and property matters and is required to:

- allocate funds in a way that reflect Te Kura priorities as stated in the current Charter.
- monitor and control school expenditure, and ensure that annual accounts are prepared and audited, as required by legislation.
- comply with the negotiated conditions of any current asset management agreement.
- implement a maintenance programme to ensure Te Kura buildings and facilities provide a safe, and healthy environment.
- Ensure that the financial viability of the school is protected at all times, and every practicable effort is made to eliminate the risk of theft or fraud.

Te Tiriti o Waitangi

Te Kura is a major education provider, and both our leadership and organisational approach is focused on living Te Tiriti o Waitangi. This policy aligns with [Te Tiriti o Waitangi Policy](#) which recognises and upholds the obligations and commitments of Te Tiriti o Waitangi.

Financial planning and conditions enable and support ākonga-centred, equitable access to educational opportunities which are at the centre of all of our strategies, plans, budgets, policies, and procedures. Decisions are expected to give effect to our Te Tiriti o Waitangi Policy and uphold our commitment to actively seek to foster Māori development, mātauranga Māori and te ao Māori within all aspects of the school.

Cultural inclusivity

Cultural safety and responsiveness are paramount to Te Kura for kaimahi, ākonga and whānau. Financial planning and conditions are responsible for ensuring financial and property decisions enable and support safe, responsive, and inclusive outcomes for different cultural contexts.

Definitions

Culture: Culture includes, but is not limited to, age or generation, gender, sexual orientation, occupation and socio-economic status, cultural and epistemological frame of reference, ethnic origin, or migrant experience, religious or spiritual belief, and disability.

Cultural safety and responsiveness: effective delivery as applied to a person, family, or group from another culture, and as determined by that person, family, or group. The role delivering the service will understand and recognise the cultural origins, assumptions, and limitations of certain forms of delivery within some cultural contexts. They will also have undertaken a process of reflection on their own cultural identity and will recognise the impact that their personal culture has on delivery.

Retained earnings: The amount of surplus that is left over after paying all of the direct and indirect costs of an entity. The balance of retained earnings is affected positively or negatively each year by the surplus or deficit at the end of the financial year.

Delegations

The Board delegates the day-to-day management of the school's finances, including budget and reporting to the Chief Executive.

Expectations

Te Kura will:

- comply with all relevant legislation.
- make the best use of its financial resources in providing quality education services.
- exercise prudent financial management.
- set an annual operating and capital budget and monitor and control the financial performance of Te Kura against the budget on a regular basis.
- prepare an annual report and financial statements.
- ensure appropriate internal controls.
- not incur unauthorised debt or liability.
- Ensure targeted funding is not used for purposes other than those approved.
- Collect all money owed to the school in a timely manner.
- Make payments to kaimahi and vendors in a timely manner.
- Complete all relevant government returns on time.
- When making any purchase following the Government procurement rules.
- Ensure effective systems are in place to meet the requirements of the payroll system.
- Ensure management compliance with the Board's financial delegations framework.
- Manage its Retained Earnings by:
 - a) recognising the need to hold some level of Retained Earnings to remain nimble to allow for Ministry of Education policy changes or change in Government or Treasury.
 - b) tag retained earnings balances for specific use e.g. Learning Support.
 - c) utilising balances towards one off expenditure that does not commit the school to ongoing permanent costs.
- retaining cash balances at levels to allow for three months of salary and normal outgoings.

Financial Statements

Te Kura will:

- Adhere to generally accepted accounting practices or principles.
- Provide a summary of significant accounting policies for inclusion in the notes to the Financial Statements in the Annual Report.
- Seek Board approval for any significant amendments to accounting policies within the Annual Report processes.

Budgeting

Budgeting must reflect the priorities in the strategic plan/annual implementation plan. The budget must minimise financial risk and show a generally acceptable level of foresight.

The budget should:

- Reflect the results sought by the Board.
- Reflect the priorities as established by the Board in the strategic plan.
- Comply where the Board's requirement is for a balanced budget.
- Demonstrate an appropriate degree of conservatism in all estimates.

A budget for the next year and four out years together with assumptions will be prepared and presented to the Board for approval. The Board approves the budgeted financial statements, and that approval includes approval for the net surplus/deficit for the next year and the four out years.

The Annual Report will present the Board approved budget.

Updating Budgets

Te Kura may, during the year, do the following without obtaining Board approval as long as the already approved net surplus/deficit position is not lower/higher than originally approved.

- a) Reprioritise budgeted expenditure.
- b) Allocate unbudgeted revenue to expenditure lines.
- c) Update budget details of delegation holders (to support financial responsibility and monitoring of compliance with the Financial and Human Resources Delegation policy).

Forecasts will be used to reflect the changes to the original Board approved budget.

For capital budgets, Te Kura may reprioritise capital expenditure only within each asset class. Board approval is required to move capital budget between asset classes.

Updated budgets may be prepared during the year for approval by the Board for any of the following:

- a) the needs of budget holders substantially change.
- b) significant funding or expenditure occurs that was not known at the time of budget preparation.
- c) the forecast Statement of Financial Position used to determine opening balances is materially different to the actual balances.

Forecasts will be used to reflect the unknown funding and/or expenditure until the budget can be updated and the updated net surplus or net deficit is approved by the Board.

Monitoring

The Chief Executive is responsible for financial reporting and demonstrating budget compliance. At every meeting the Board should receive:

- tracking information on the school's income and expenditure against the year-to-date's budget. Reports will include the following:
 - a. Summary Statement of Comprehensive Revenue and Expense.
 - b. Summary Statement of Financial Position.
 - c. Summary Statement of Cashflows.
- explanations for non-compliance or variance.
- Any areas of risk and plans for mitigating that risk.
- current state of school roll, and any implications to current budget identified.
- reporting on progress or otherwise towards achieving the strategic objectives.

Evaluation

Finances will be included as part of usual Auditing processes.

Procedures and Supporting Documents

- Financial Reporting Act 2013
- Public Finance Act 1989
- Education and Training Act 2020
- Crown Entities Act 2004
- Financial Information for Schools Handbook (FISH)
- Annual report checklist (MoE)
- Monthly financial statements
- Current and four out-years budget
- Risk Assurance Committee Terms of Reference
- Board Assurance Statement and Self-Audit Checklist (Education Review Office) - Section 5 (Finance)
- Financial and Human Resources Delegations Governance Policy
- Te Aho o Te Kura Pounamu Annual Report

Approved by Nicola Ngarewa, Chairperson, Te Kura Board of Trustees