



PRETORIA BOYS HIGH SCHOOL

FINANCIAL CONTROL POLICY

1. GOVERNANCE

Control over the finances of the School shall be vested in the Governing Body of the School. The Governing Body shall delegate this duty to the Finance Sub-Committee. The Finance Sub-Committee shall be chaired by a member of the Governing Body.

The Headmaster shall hold the office of Chief Financial Officer and be responsible for the day-to-day running of the finances of the School. The Governing Body shall employ a Bursar to assist the Headmaster.

2. DUTIES AND FUNCTIONS OF THE GOVERNING BODY

2.1 Finance Sub-Committee

The Governing Body shall appoint the Finance Sub-Committee.

2.2 School Funds and Assets

The Governing Body shall:

- 2.2.1 raise funds including school fees and other voluntary contributions in cash or kind for the school;
- 2.2.2 establish a school fund and administer it in accordance with generally accepted accounting practice;
- 2.2.3 pay all money received by the School, including school fees and voluntary contributions, into the school fund;
- 2.2.4 open and maintain banking accounts, savings accounts, deposits and investment accounts (if necessary);
- 2.2.5 apply all money or other goods donated or bequeathed to or received in trust by the School in accordance with the conditions of such donation, bequest or trust; and
- 2.2.6 may only permit the use of the school fund, all proceeds thereof and any assets of the School for
 - (i) educational, cultural or sporting purposes connected to school activities;
 - (ii) the performance of the duties and functions of the governing body.

2.3 **School Budget**

The Governing Body shall:

- 2.3.1 prepare a budget each year, which shows the estimated income and expenditure of the School for the following financial year; and
- 2.3.2 present the budget, after it is approved by the governing body, to a meeting of parents for consideration and approval by a majority of parents present and voting.

2.4 **School Fees**

The Governing Body

- 2.4.1 shall charge fees at the School in accordance with a resolution adopted by a majority of the parents present at the budget meeting. Such resolution shall provide for
 - (i) the amount of fees to be charged; and
 - (ii) the terms over which fees shall be paid; and
 - (iii) equitable criteria and procedures for the total, partial or conditional exemption of parents who are unable to pay school fees.
- 2.4.2 May, enforce by process of law the payment of school fees by parents who are liable to pay such fees.

2.5 **Financial Records and Statements**

The Governing Body shall

- 2.5.1 keep records of funds received and spent by the School and of its assets, liabilities and financial transactions; and
- 2.5.2 as soon as practicable, but not later than six months after the end of each financial year, draw up annual financial statements which indicate, with suitable particulars, its assets and liabilities at the end of the financial year concerned and the results of its operations for that year.

2.6 **Audit of financial records and statements**

The Governing Body shall

- 2.6.1 appoint a person registered as an accountant and auditor in terms of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991), to audit the records and financial statements of the School. No person who has a financial interest in the affairs of the School may be appointed as auditor of the School;
- 2.6.2 ensure that the records and financial statements are audited annually;
- 2.6.3 submit to the G.D.E., within six months after the end of each financial year, a copy of the audited annual financial statements;

2.6.4 at the request of an interested person, make the audited financial statements available for inspection.

2.7 **Annual General Meeting of parents**

A Governing Body shall, between July and November of each year, convene an Annual General Meeting of parents at the School at which

2.7.1 the Principal and/or the Chairperson of the Governing Body shall submit a report on the School for the previous year;

2.7.2 the audited financial statements for the past year shall be made available;

2.7.3 the budget for the following year shall be presented;

2.7.4 any matter relating to fees may be discussed.

The principal shall at least 30 days prior to the date of the Annual General Meeting-

2.7.5 distribute a copy of the notice for such meeting to every learner at the School with an instruction to hand it to his or her parents; or

2.7.6 post a copy of the notice for such meeting to the parents of every learner at the School.

2.8 **Liability, reimbursement and financial benefit**

2.8.1 A member of the Governing Body shall not be liable for any debt, damage or loss incurred by the School as a result of his or her actions in his or her capacity as a member of the Governing Body unless he or she acted without authorisation or with malicious intent, in which case he or she may be held responsible for such debt, damage or loss.

2.8.2 Necessary expenses incurred by a member of the governing body in the performance of his or her duties may be reimbursed by the governing body.

2.8.3 No member of a governing body or any relative of such member may derive financial benefit by virtue of his or her being a member of such governing body.

2.8.4 A member of a governing body shall withdraw from a meeting of the governing body for the duration of the discussion and decision-making on any issue in which the member or any relative of that member has a financial interest.

3. **CHIEF FINANCIAL OFFICER**

3.1 The Headmaster shall hold the office of Chief Financial Officer. The Bursar shall be responsible for keeping proper books of accounts and records and shall report to the Chief Financial Officer.

3.2 The Chief Financial Officer shall:

- 3.2.1 ensure that school fees and other charges are levied according to the resolution adopted by the parents at the budget meeting;
- 3.2.2 keep proper debtors' accounts for all school fees receivable;
- 3.2.3 ensure that all school fees are collected timeously;
- 3.2.4 monitor a system whereby all payments are supported by adequate invoices or proper documentary evidence;
- 3.2.5 regularly examine actual income and expenditure against the School's budget and follow up significant variances from the budget;
- 3.2.6 adhere to the key controls drafted and updated by the governing body from time to time;
- 3.2.7 meet regularly with the Finance Sub-Committee and report developments to that committee.

4. FINANCE SUBCOMMITTEE

The Finance Sub-Committee shall hold at least one routine meeting every school term. Additional meetings may be held for specific duties such as the budget, the audit, collection of debts, etc. Proper minutes of the meetings of the Finance Sub-Committee shall be kept by the Bursar.

5. PUBLIC BENEFIT ORGANISATION

The School shall register with the Commissioner of S A Revenue Services as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act.

6. KEY CONTROLS

The Finance Sub-Committee shall establish key controls to monitor the day-to-day financial disciplines at the School. The key controls shall be revised from time to time to allow for changes within the system.

7. TAXATION

The School shall comply with all taxation legislation provisions affecting the School.

8. FINANCIAL YEAR END

The financial year of the School commences on the first day of January and ends on the last day of December of each year.

APPROVED THIS DAY OF 200

HEADMASTER

FINANCE SUB-COMMITTEE

BURSAR

CHAIRMAN, GOVERNING BODY

PRETORIA BOYS HIGH SCHOOL

KEY CONTROLS 2008

1. OVERALL CONTROLS

- 1.1 Budget
- 1.2 Quarterly Accounts and Variance Report
- 1.3 Monthly Scrutiny of all Expenditure by Bursar
- 1.4 Proper supporting document for all payments

2. SPECIFIC CONTROLS

- 2.1 All expenditure within budget to be approved by the Bursar.
- 2.2 Any expenditure outside of budget, or transfers from one budget to another, must be approved as follows:

2.2.1 Administration

Less than R40,000 Headmaster and Bursar
Greater than R40,000 Finance Committee

2.2.2 Staff Costs

Less than R70,000 Headmaster and Bursar
Greater than R70,000 Finance Committee

2.2.3 Grounds and Buildings (excluding Capital Expenditure)

Less than R70,000 Headmaster and Bursar
Greater than R70,000 Finance Committee

2.2.4 Entertainment, Accommodation and Functions

Less than R30,000 Headmaster and Bursar
Greater than R30,000 Finance Committee

2.2.5 Publications

Less than R30,000 Headmaster and Bursar
Greater than R30,000 Finance Committee

2.2.6 Travel and Vehicles

Less than R30,000 Headmaster and Bursar
Greater than R30,000 Finance Committee

2.

2.2.7 Academic

Less than R60,000 Headmaster and Bursar
Greater than R60,000 Finance Committee

2.2.8 Sport and Outdoor Pursuits

\$ Less than R40,000 Headmaster and Bursar
\$ Greater than R40,000 Finance Committee

2.2.9 Clubs and Societies

\$ Less than R30,000 Headmaster and Bursar
\$ Greater than R30,000 Finance Committee

3. CAPITAL EXPENDITURE

All capital expenditure outside of budget, or transfers from one item of expenditure to another, to be approved by the Finance Sub-Committee.

4. BAD DEBTS

All bad debts in excess of R20,000 may only be written off with the approval of the Finance Sub-Committee.

5. CHEQUE SIGNING AUTHORITY

All cheques to be signed by any two members of the School Executive, namely W E Schroder, L Shepperson, J Illsley, G Hassenkamp, C McBride, M Smith.

Electronic transfers: As above with actual electronic executive by W E Schroder and L Shepperson through administrator access.

Clothing Shop - refund cheques to parents for clothing sold must be signed by D Patterson and W E Schroder or L Shepperson.

W E SCHRODER

G BECKWITH