



**Circular Number: 0002/2018**

**To: The Management of Authorities of each Voluntary Secondary,**

**Community and Comprehensive School.**

### **Operation of the Financial Support Services Unit (FSSU)**

#### **1. Purpose.**

The purpose of this circular is to replace circular M36/05 for Voluntary Secondary Schools and to inform school management authorities of Community and Comprehensive schools of the roll out and operation of the FSSU.

The FSSU has been operating in the Voluntary Secondary Sector since 2005 providing advice and support to schools in financial governance. It is now appropriate to update the Department Circular in order to remind Boards of Management of Voluntary Secondary Schools of their responsibilities in line with Section 18 of the Education Act 1998.

The supports provided by the FSSU will be rolled out to schools in the Community and Comprehensive Sector with effect from 1 January 2018. (Further information is available at Appendix 1 to this circular). This will include standardising arrangements for compliance with accounting requirements under Section 18 of the Education Act 1998 and enhancing current financial support structures for schools.

#### **2. Role of the FSSU.**

The role of the FSSU includes:

- Provision of advice and support to schools on financial governance matters including compliance with the requirements of this circular.
- Development of templates for use by schools in relation to financial matters including a standardised national template for annual school accounts.
- Acting as a central repository for receipt of annual school accounts prepared by an external accountant/auditor registered with a recognised accountancy body in the State.
- Carrying out such audits as may be required.
- Preparation of an annual report for the Department.
- Liaison with the Department in relation to financial matters pertaining to schools.
- Submission of financial information to the Charities Regulatory Authority (CRA) which will also satisfy the financial reporting obligations placed on schools by the Charities Act 2009.
- Provision of statistical information to the Central Statistics Office (CSO) in relation to its requirements for financial information in respect of the school system.

Further details in relation to the FSSU can be obtained on its website [www.fssu.ie](http://www.fssu.ie).

The FSSU is hosted by the Joint Managerial Body (JMB).

### 3. What does the FSSU mean for Schools?

- a) The FSSU is an important source of advice and support for schools on financial governance matters - primarily provided via on-line and telephone support. Further details are available at [www.fssu.ie](http://www.fssu.ie).
- b) The FSSU have developed a suite of templates for use by Schools as follows:
- Templates for use internally by schools for monitoring monthly income, expenditure, budget management, cash flow etc.
  - A standardised national template for the submission to the FSSU of annual school accounts, prepared by an external accountant/auditor registered with a recognised accountancy body in the state. The national template is the standardised method for accountants/auditors to prepare annual school accounts in accordance with the requirements of Section 18 of the Education Act, 1998.
  - A standard template report for use when providing summary financial information to parents is also available as part of the standardised national template for annual school accounts.

These templates are already in place for Voluntary Secondary Schools and will be introduced on a phased basis for Community and Comprehensive Schools (Further information is available at Appendix 1 to this circular). The use of the FSSU Internal template for monitoring monthly income, expenditure, budget management, cash flow etc. is optional for schools who may wish to continue to use existing templates.

- c) It is the responsibility of the Board of Management to ensure financial accounts are submitted to the FSSU by its external accountant/auditor. This satisfies the requirement under Section 18 of the Education Act 1998 for schools to make available their accounts for inspection by the Minister.

Arrangements are already in place for the submission of accounts to the FSSU by Voluntary Secondary Schools, including fee-charging schools, where teachers are paid from public funds. The date for submission of the annual accounts to the FSSU remains 28<sup>th</sup> February following the end of the financial year.

Community and Comprehensive Schools will be required to submit accounts to the FSSU in respect of the 2019/20 school year and annually thereafter in the prescribed format and by the relevant deadline (Further information is available at Appendix 1 to this circular).

The completed accounts must be accompanied by such other information as the FSSU may require.

The above requirements are in addition to any specific requirement of the patron in relation to the submission of annual accounts.

- d) The submission of annual school accounts to the FSSU, in the prescribed format and by the relevant deadline, also satisfies the financial reporting obligations placed on schools by the Charities Act 2009.

It also meets any financial reporting requirements of the Central Statistics Office.

- e) Schools may be subject to audit by the FSSU as part of its ongoing programme of work. In the case of the Community and Comprehensive Sector, this function is being transferred from the Department's Internal Audit Unit to the FSSU from January 2018.

#### 4. What does the FSSU mean for school patrons?

The Board of Management is required to manage the school on behalf of the patron. In this regard:

- a) The FSSU will, where requested, provide patrons with a list of their schools indicating if they are compliant in relation to the submission of annual school accounts.
- b) Patrons may, where appropriate, contact the FSSU to request that an audit of a school be carried out.

#### 5. What does the FSSU mean for Parents?

A standardised national approach is currently in place in Voluntary Secondary Schools for provision of summary financial information to parents.

This will be introduced in Community and Comprehensive schools for the 2019/20 school year onwards as part of the standardised national template for annual school accounts.

#### 6. Legislative Context.

##### **Education Act, 1998.**

Boards of Management are reminded of their responsibility to ensure appropriate accounting and financial procedures are in place in line with Section 18 of the Education Act, 1998 which requires that:

18.—(1) Except in the case of a school established or maintained by a vocational education committee, a board shall keep all proper and usual accounts and records of all monies received by it or expenditure of such monies incurred by it and shall ensure that in each year all such accounts are properly audited or certified in accordance with best accounting practice.

(2) Accounts kept in pursuance of this section shall be made available by the school concerned for inspection by the Minister and by parents of students in the school, in so far as those accounts relate to monies provided in accordance with section 12.

##### **Charities Act 2009.**

The Charities Act 2009 requires each Board of Management to have its school registered with the CRA and to verify its registration details once a year. It is an offence for an unregistered charitable organisation to carry on activities in the State.

Furthermore, all organisations on the Register of Charities are required to provide summary details of all income and expenditure to the CRA on a yearly basis. It is envisaged that this will be done in respect of schools via the FSSU. Schools who submit their accounts to the FSSU in the prescribed format and within the required timeframe will benefit from not having to separately return this financial information to the CRA.

Queries to the CRA should be addressed to: [info@charitiesregulator.ie](mailto:info@charitiesregulator.ie). Further information is also available on its website at [www.charitiesregulator.ie](http://www.charitiesregulator.ie).

### **7. Compliance with the terms of this circular.**

All Boards of Management of Voluntary Secondary, Community and Comprehensive schools are required to comply with the requirements of this circular including in relation to the use of the standardised national template for annual school accounts and submission of same to FSSU in the prescribed format and within the required timeframe. Schools that fail to comply with these requirements will be at higher risk of audit.

### **8. Data Protection.**

The FSSU operates a strict policy on data protection in compliance with the existing Data Protection legislation.

### **9. Circulation and Queries.**

This Circular includes an FAQ section that will be updated as appropriate over time.

Please ensure that this Circular is brought to the attention of the Board of Management and the Parents Association (if any).

Queries from schools in relation to this Circular should be addressed to the FSSU. The relevant contact details are published on its website at [www.fssu.ie](http://www.fssu.ie).

**Jill Fannin**  
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**Schools Division Financial**

**January 2018**

## **Community and Comprehensive Schools**

### **Roll out and operation of the Financial Support Services Unit (FSSU)**

#### **FSSU Advisory Committee**

An FSSU Advisory Committee is in place to advise on and support the rollout and operation of the FSSU for the Community and Comprehensive Sector. This Committee includes representatives from the Department, ACCS and the FSSU.

#### **FSSU Templates.**

As indicated at Section 3 b) above, the FSSU have developed a suite of templates for use by Schools. These will be introduced on a phased basis for Community and Comprehensive Schools as outlined at 3 below. The use of the FSSU Internal template for monitoring monthly income, expenditure, budget management, cash flow etc. is optional for schools who may wish to continue to use existing templates.

#### **Timeframe for submission of Accounts to the FSSU.**

It is the responsibility of the Board of Management to ensure financial accounts are submitted to the FSSU by its external accountant/auditor. This satisfies the requirement under Section 18 of the Education Act 1998 for schools to make available their accounts for inspection by the Minister.

Community and Comprehensive Schools will be required to submit accounts to the FSSU in respect of the 2019/20 school year and annually thereafter in the prescribed format and by the relevant deadline.

The following is the timeline with regard to introduction of these arrangements for Community and Comprehensive Schools:

<b>January 2018 to August 2019</b>	FSSU will focus on provision of advice and support as part of preparations for the phased introduction of the standardised national template for annual school accounts.
<b>2019/20 school year</b>	This will be the first year for annual school accounts to be prepared using the standardised national template. This will be the required format for schools to fulfil obligations under Section 18 of the Education Act, 1998.
<b>End February 2021</b>	This will be the latest date for annual school accounts for the 2019/20 school year to be submitted to the FSSU.
<b>Annually thereafter</b>	Annual School Accounts to be submitted to the FSSU in the prescribed format by the end of February (6 months after the end of the school year).

The completed accounts must be accompanied by such other information as the FSSU may require.

The above requirements are in addition to any specific requirement of the patron in relation to the submission of annual accounts.

#### **Financial Information to Parents.**

The standardised national approach for provision of summary financial information to parents will be introduced in Community and Comprehensive schools for the 2019/20 school year onwards as part of the standardised national template for annual school accounts.

**Transfer of functions.**

As indicated at Section 3 e) above, schools may be subject to audit by the FSSU as part of its ongoing programme of work. In the case of the Community and Comprehensive Sector, this function is being transferred from the Department's Internal Audit Unit to the FSSU from January 2018.

## Frequently asked Questions

### Financial Support Services Unit (FSSU) Voluntary Secondary, Community and Comprehensive Schools

#### FSSU

##### Where can I get more information about the FSSU?

Information in relation to the FSSU is available on its website at [www.FSSU.ie](http://www.FSSU.ie).

#### FSSU TEMPLATES

##### What is the benefit of using the FSSU internal templates for monitoring monthly income, expenditure, budget management, cash flow etc.?

The format of the FSSU internal templates is consistent with the standardised national template for annual school accounts. Therefore, use of the internal FSSU templates may result in lower accountancy fees for certifying or auditing annual school accounts (as required under Section 18 of the Education Act, 1998) as the information presented to an Accountant will be in a format that will facilitate relevant data for the annual school accounts to be extracted more readily.

##### Are there alternative internal templates for monitoring monthly income, expenditure, budget management, cash flow etc. that may be used?

The use of the FSSU Internal template for monitoring monthly income, expenditure, budget management, cash flow etc. is optional for schools who may wish to continue to use existing templates.

However, the standardised national template for annual school accounts must be used by all schools in line with the timeline set out in this circular.

##### Can the FSSU internal templates be tailored to suit the needs of individual schools?

The FSSU internal templates have been developed to cater for all schools. They can be revised so as to tailor them to the needs of individual schools. You may contact the FSSU if you require assistance in relation to this.

## ANNUAL ACCOUNTS

### What is the timeframe for the introduction of the standardised national template for annual school accounts by Community and Comprehensive schools?

The following is the timeline:

<b>January 2018 to August 2019</b>	FSSU will focus on provision of advice and support as part of preparations for the phased introduction of the standardised national template for annual school accounts.
<b>2019/20 school year</b>	This will be the first year for annual school accounts to be prepared using the standardised national template. This will be the required format for schools to fulfil obligations under Section 18 of the Education Act, 1998.
<b>End February 2021</b>	This will be the latest date for annual school accounts for the 2019/20 school year to be submitted to the FSSU.
<b>Annually thereafter</b>	Annual School Accounts to be submitted to the FSSU in the prescribed format by the end of February (6 months after the end of the school year).

### Can the accounts be sent directly to the FSSU?

Once the annual school accounts have been certified or audited and approved by the Board of Management they should be sent electronically to the FSSU by the external accountant/auditor. This is in addition to any specific requirement of the patron in relation to the submission of annual accounts.