

# Preparation of Financial Accounts for **Primary Schools**



**FSSU**  
Financial Support  
Services Unit



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FSSU Director



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Primary School Co-Ordinator



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Primary School Co-Ordinator



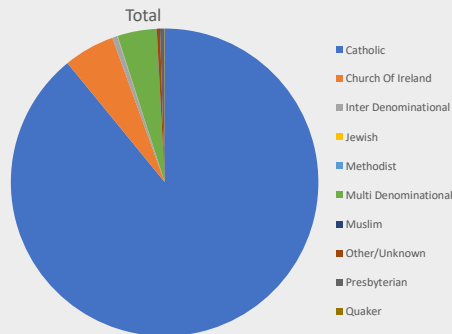
# Agenda



- Primary schools in Ireland
- FSSU background and legal context
- FSSU Roll Out Timeline
- Current Activities
- The role of the Board of Management
- Appointment of an External Accountant/Auditor
- Preparation of Board of Management Accounts
- FSSU Submission
- Questions

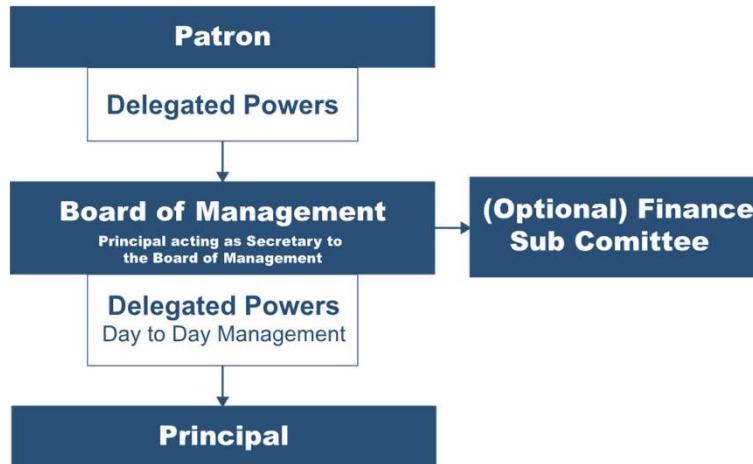


# Primary Schools in Ireland



Ethos Description	Total	Overall %
Catholic	2894	89.10%
Church Of Ireland	174	5.36%
Inter Denominational	18	0.55%
Jewish	1	0.03%
Methodist	1	0.03%
Multi Denominational	132	4.06%
Muslim	2	0.06%
Other/Unknown	10	0.31%
Presbyterian	15	0.46%
Quaker	1	0.03%
<b>Grand Total</b>	<b>3248</b>	<b>100%</b>

## Primary School Structure



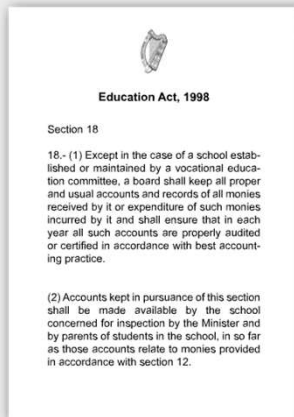
## FSSU Background



- Section 18 Education Act 1998
- DES Circular M36/05
- DES Circular 60/2017
- DES Circular 02/2018
- The FSSU is a **support mechanism** for the management of Community & Comprehensive, primary and voluntary secondary schools in terms of accountability, transparency and financial responsibility for State funds.
- The FSSU is a compliance mechanism for the DES



# Legal Context



## Role of FSSU



- Provision of **advice and support** to schools on financial governance matters
- Development of **templates** for use by schools
- Acting as a central **repository** for receipt of annual Board of Management accounts prepared by an external accountant.
- Carrying out of **audits** as may be required.
- Preparation of an **annual report** for the Department of Education & Skills (DES)
- **Liaison** with the DES in relation to financial matters pertaining to Primary schools
- Submission of financial information to the **Charities Regulator** 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

*DES Circular 60/2017*

## FSSU Roll Out Timeline



*Financial Year is the School Year and runs from the 1<sup>st</sup> September to 31<sup>st</sup> August*

### **2018/19 school year**

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.

### **End February 2020**

This will be the latest date for annual school accounts for the 2018/19 school year to be submitted to the FSSU

### **Annually thereafter**

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)

## Current Activities



Continuous support and advice via



Phone Support  
01 9104020



Live  
Webinars



FSSU  
Training  
Videos



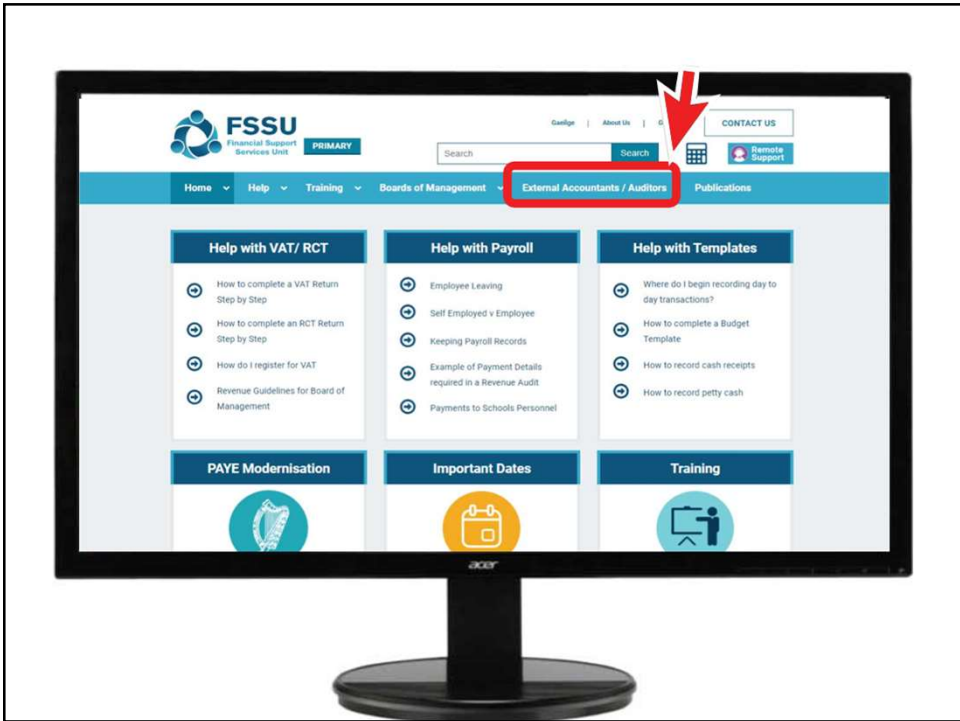
School &  
Group Visits

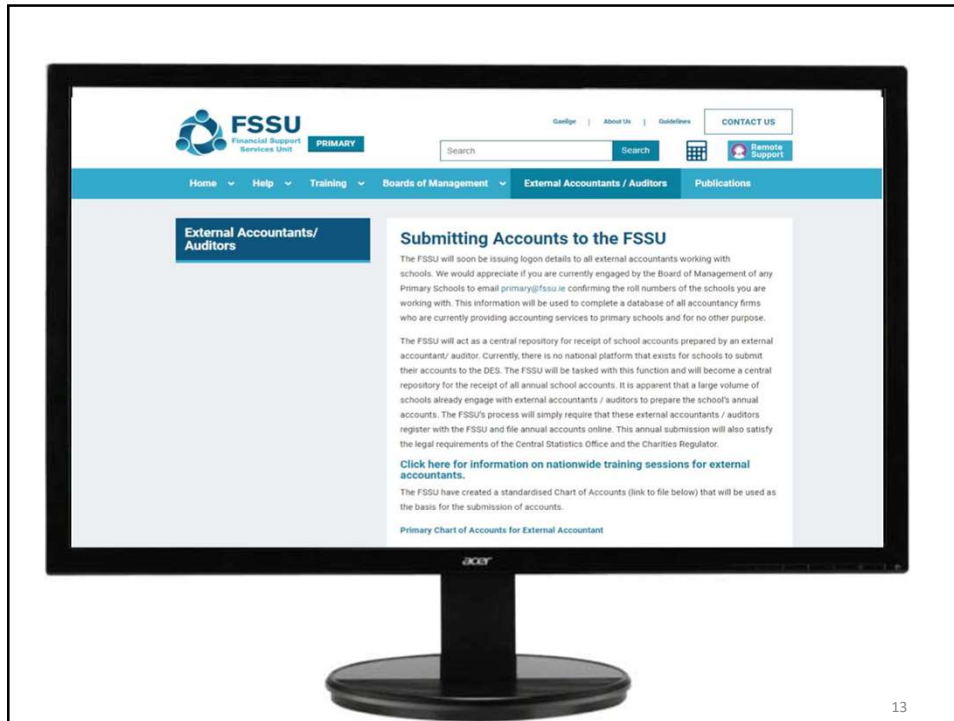


Ongoing  
Presentations  
by PSCO's




Remote  
Support







## Current Issues




**FSSU**  
Guidelines




**FSSU**  
Templates




**Charities**  
Regulator



**Revenue**  
RCT & VAT



**Payroll - PAYE**  
Modernisation



# The role of the Board of Management



**The Board is responsible for all business carried on in connection with or on behalf of the school**

The Board is required to:

- Fulfil all legal requirements under Education Act 1998
- Ensure the requirements of Patron are met
- Ensure expenditure does not exceed income
- Comply with requirements of Department of Education & Skills and FSSU
- Assess the need for the establishment of a Finance Sub-Committee
- Submit annual accounts to the Patron and FSSU
- Address other compliance issues such as CSO, Charities Regulator and Revenue

# Department of Education & Skills Grant Payments Schedule

January	1. Capitation Grant (1st moiety) 2. ICT Grant
March	Ancillary Services Grant
April	1. Standardised Testing Grant 2. School Book Grant
June	1. Capitation Grant (2nd moiety) 2. DEIS Grant







## Revenue Compliance **Payroll**

- Payroll operated for Board paid staff only
- PAYE Modernisation big issue for Boards
  - Payroll Software
  - Outsource Payroll
- Self Employed Versus Employee
- ASC (i.e. relevant for external interview panellist / principals) payable to Department of Education & Skills



## Revenue Compliance **RCT / VAT**

- School obliged to register for RCT / VAT
- Public Body - Not allowed to claim a VAT input credit
- Revenue Guidance Note *“Boards of Management – Relevant Contracts Tax/Value Added Tax”*
- File RCT / VAT via ROS and make payments to Revenue
- School potentially subject to Revenue Audits





An  
Phríomh-Oifig  
Staidrimh

Central  
Statistics  
Office

**Submitting the schools accounts using the new online system will fulfil the schools CSO requirements automatically**

- *Primary Schools must comply with the statistical survey conducted in accordance with EC Council Regulations 322/97 and 479/20091 and under the Statistics Act, 1993 2. Under these regulations, the Central Statistics Office CSO is responsible for the official reporting of Ireland's General Government Balance (surplus/deficit) and General Government Debt under the Excessive Deficit Procedure (EDP) to Eurostat.*



## Registering with the Charities Regulator



An Rialáil  
Carthanas  
Charities  
Regulator

Schools are required to register with the Charities Regulator.

Deadline for registration is December 2019.

Legislation **Charities Act 2009**

Contact the Charities Regulator via email at [reg@charitiesregulator.ie](mailto:reg@charitiesregulator.ie)

Charities Regulator Helpline **01 633 1500**





## Appointing an External Accountant/Auditor

### **FSSU issued guideline which stipulates the following**

- Only an external accountant who holds a Practising Certificate **and** has Professional Indemnity Insurance can compile and prepare accounts for a school
- An external accountant cannot be a member of the Board of Management to avoid conflict of interest
- Required to prepare and compile annual Financial Accounts on behalf of the Board of Management
- Required to make a FSSU Submission on behalf of the Board of Management



## External Accountant/Auditor Requirements

**Section 18 Education Act 1998** states

*“... all such accounts are properly audited or certified in accordance with best accounting practice.”*

**Sample Financial Accounts Available**





## Preparation of **Financial Accounts**

- Financial Accounts should be prepared the FSSU's Chart of Accounts



## School **Bank Accounts**

**All** school bank accounts are to be included in the compiled Financial Accounts, including:

- School Current and Deposit Accounts
- Credit Union Accounts
- Credit Card Accounts
- Fundraising Accounts
- Building Project Accounts
- Any accounts held by the Parents Association
- Linked/common Bank Accounts

### **Other Banking Issues**

- Online Banking should be encouraged
- All Bank payments should be approved by two Board members
- No Debit Cards





## Capital Expenditure

- An appropriate Register of Fixed Assets should be maintained with an appropriate depreciation policy.
- Fixed Assets
- Valuation of Land & Building on the Balance Sheet.
  - Section 15(3) Education Act – *“For the avoidance of doubt, nothing in this Act shall confer or be deemed to confer on the board any right over or interest in the land and buildings of the school for which that board is responsible.”*



## Depreciation Policy

- Depreciation should be allocated to the Income and Expenditure account
- Items are valued at cost less depreciation based upon the straight-line methodology.
- Fixtures and Fittings and are depreciated over a five year useful life.
- ICT equipment is depreciated over a three year useful life.



## Treatment of Unspent Grants

- Specific Government Grants ie the Book Grant, the DEIS grant and the ICT or other capital grants, are considered a liability until spent. Unexpended balances are shown as a liability.



## Other Issues

- Pooling Support : School Secretary working in more than one school but paid by one school
- School Budgets



## FSSU Online Submission

**A new system of online submission of accounts has been approved by the Department of Education and Skills. The submission will come into operation for school accounts from the year ended 31st August 2019 (this school year). The board of each primary school, facilitated by an external accountant/auditor, are obliged to make a submission no later than the 28<sup>th</sup> of February 2020 and annually thereafter.**

- Online portal at [www.fssu.ie](http://www.fssu.ie)
- All external accountants will be linked to their schools
- The portal will be prepopulated with school information such as School Roll Number, School Name and School Address
- Further training will be provided in November 2019



## FSSU Online Submission

**FSSU will require the following from accountants/auditors when making the submission**

- Confirmation of Practising Certificate and Professional Indemnity Insurance
- Confirmation of whether or not the Financial Accounts have been audited
- A Trial Balance representing the board's Financial Accounts for the school year based on the FSSU chart of accounts
- An electronic copy of the manually signed Financial Accounts will be uploaded by the accountant





## FSSU Online Submission

**Once submission is submitted successfully, a confirmation email will be sent automatically**

This email will include a summary of the Trial Balance and will be sent to:

- The firm Engagement Partner
- The team member who made the submission
- The Secretary of the Board of Management (the School Principal)
- The FSSU will get **notification** that submission has been made
- The FSSU **portal** will be automatically updated



### Contact Us

 **SupportLine**  
**01 910 4020**  
Open 9am to 7pm

 **Website**  
**[www.fssu.ie](http://www.fssu.ie)**

 **Email**  
**[primary@fssu.ie](mailto:primary@fssu.ie)**





# Questions

**Support Line | 01 910 4020**

**[www.fssu.ie](http://www.fssu.ie)**