



**FSSU**  
Financial Support  
Services Unit

# FINANCIAL GOVERNANCE IN COMMUNITY & COMPREHENSIVE SCHOOLS

November 2020

# Webinar Control panel overview

## Attendee Control Panel

### Join audio:

- Choose **Mic & Speakers** to use VoIP
- Choose **Telephone** and dial using the information provided

### Questions

You can submit questions in the question panel or after the webinar via email to [info@fssu.ie](mailto:info@fssu.ie)

### Handouts for downloading

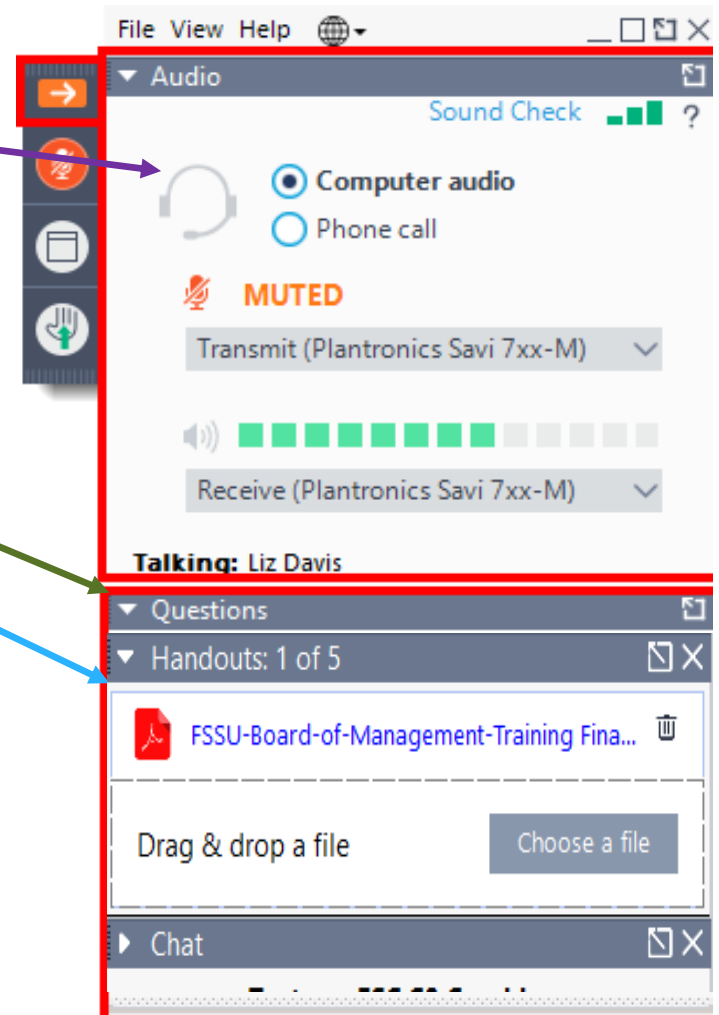
You will see a Handouts icon in your toolbar. You can tap the icon to see the Handouts pane, then select a file to download it.

The booklet on Board of Management Training Financial Management in Community & Comprehensive Schools is attached in this evening's handouts

**You can download it immediately when you log into the webinar. You will find the documents in your download folder. You can also find it later at:**

[https://www.fssu.ie/app/uploads/2020/11/Board-of-Management-FSSU-Training-Handout-2020\\_2021-CCs-1.pdf](https://www.fssu.ie/app/uploads/2020/11/Board-of-Management-FSSU-Training-Handout-2020_2021-CCs-1.pdf)

**Note:** This evening's presentation is being recorded and will be provided within 48 hours.



# The Financial Support Services Unit

The FSSU was set up under DES Circular M36/05

Further Circulars 60/2017 & 02/2018 issued to include the primary and Community & Comprehensive sectors

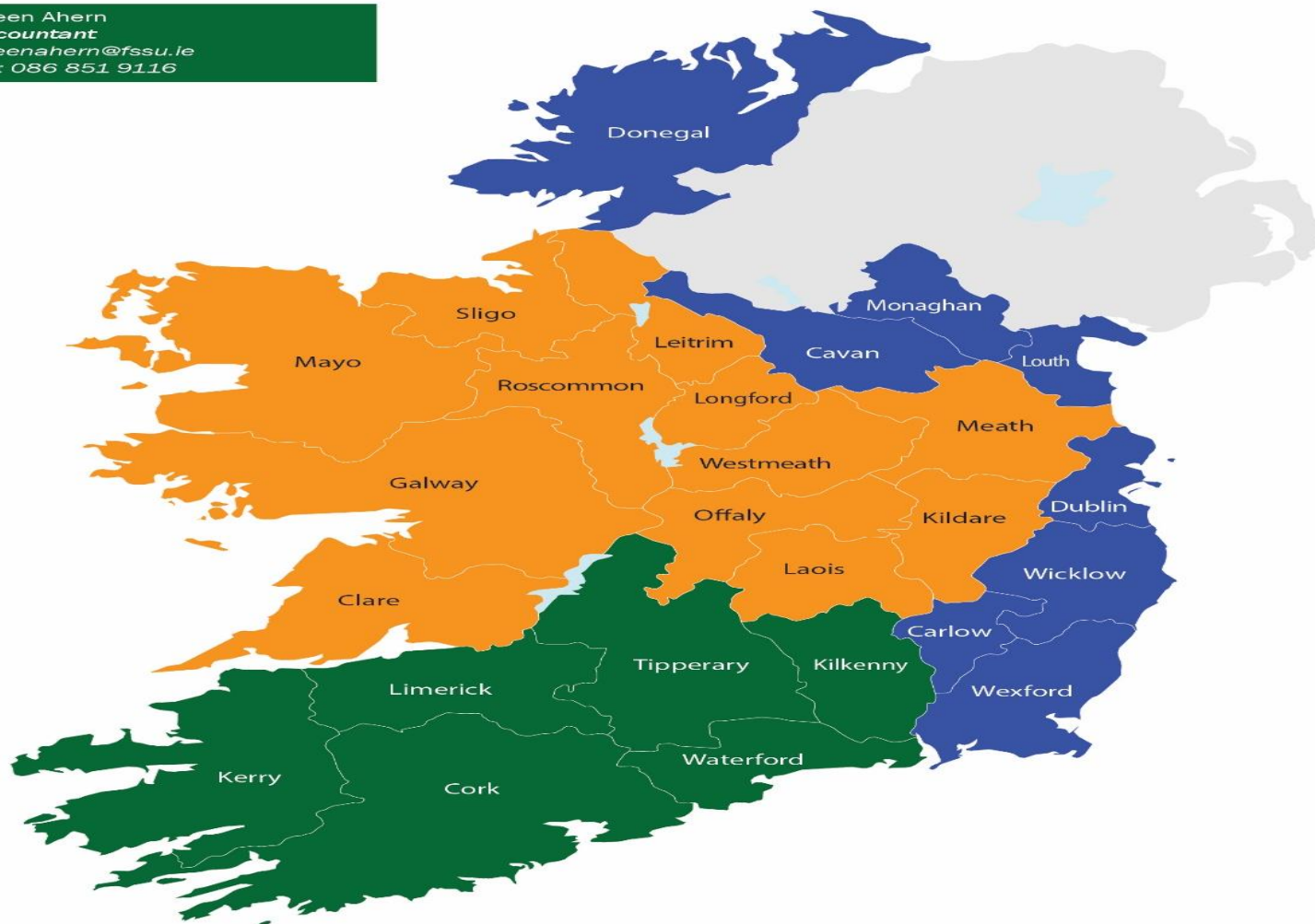
The FSSU is primarily a support mechanism for C&C, primary and voluntary secondary schools

- Louise McNamara, Director
- Kathleen Moloney, Eileen Ahern & Lorraine Guinan FSSU Accountants
- Breda Murphy, Account Software coordinator and trainer
- Liz Lambert, Administrator

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# Objectives of FSSU

Advice &  
Support

Standard  
National  
Template

Central  
Repository

Compliance

Audit

# Agenda



Legal and regulatory framework



Annual reporting requirements



Charity Regulator

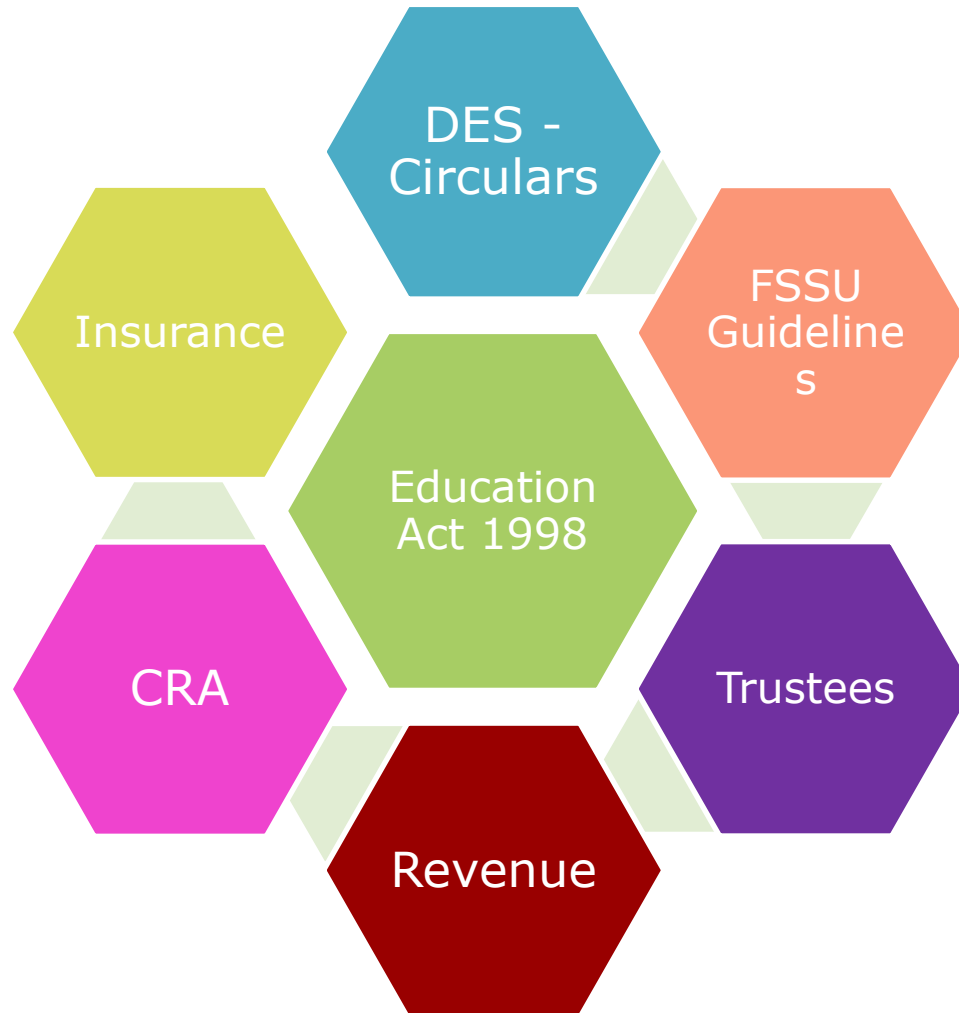


Role of the board & finance sub committee



Recommended monthly reports

# Legal and Regulatory Framework



# TIMELINE FOR ANNUAL ACCOUNTS

- 1<sup>st</sup> Annual school accounts to be submitted to the FSSU are for the 2019/20 school year
- Due 28<sup>th</sup> February 2021





# ACCOUNTANT APPOINTED ???



## ***Guideline 15 2018/2019 Appointment of External Accountant***

Accountant/Auditor must have

- Current practicing certificate
- Professional Indemnity Insurance

# School Annual Accounts Preparation Stages

The school supplies all necessary financial information to the **external school accountant** for the school year ending on the previous August 31st



The draft annual accounts are returned by the **external school accountant/auditor** to the board



Once the school **board of management** is satisfied that the accounts are an accurate reflection of the school's financial situation, they are formally ratified by the Board, signed by the Chairperson and one other Board member.



A signed copy of the accounts is forwarded to the external accountant



**External school accountant** inputs the school's trial balance and uploads a pdf copy of the approved annual accounts **to the FSSU's Online Portal** by **28<sup>th</sup> FEBRUARY 2021**.



Two copies forwarded to the **Trustees** for approval, where requested by trustees.

# Board of Management Authorisation Letter

## Board of Management/Governors Authorisation Letter for 2019/2020 School Accounts

To be sent to External Accountant/Auditor only  
(This document does not form part of the Annual Accounts)

School Name: \_\_\_\_\_ Roll No. \_\_\_\_\_

School Address: \_\_\_\_\_

Accountants/Auditors name & address: \_\_\_\_\_

Dear \_\_\_\_\_, (insert Accountant/Auditors name)

- The board of management/governors of (insert school name) \_\_\_\_\_ authorise (insert accountants/auditors name) \_\_\_\_\_, to transfer the relevant information contained in the financial accounts to the Financial Support Services Unit as part of the online submission process.
- The board approves the transfer of relevant information contained in the boards annual accounts by the Financial Support Services Unit to:
  - the Central Statistics Office, to satisfy the annual reporting obligations.
  - the Charities Regulator, to satisfy the annual reporting obligations set out in Section 52 of the Charities Act 2009.
  - the Trustee/Patron, where requested,
- The board confirms that, where applicable, the Income and Expenditure and bank balance of the Parents Association and/or Student Council are included in the annual accounts.
- The board confirms that the external accountant/auditor is a member of a Prescribed Accountancy Body and has Professional Indemnity Insurance in place.
- The board confirms that the Trustee details for the school are registered correctly with the Charities Regulator. (Insert RCN number) \_\_\_\_\_.
- Number of pupils enrolled in the school for the year ended 31<sup>st</sup> August 2020 was (insert number) \_\_\_\_\_.
- The average number of employees paid directly by the board in the school for the year ended 31<sup>st</sup> August 2020 was (insert number) \_\_\_\_\_.
- The number of individuals who have volunteered for the board and the school for the year ended 31<sup>st</sup> August 2020 was: (e.g. board members, parent's association, parents that helped out at bake sale etc.)

None	<input type="checkbox"/>
1 - 9	<input type="checkbox"/>
10 - 19	<input type="checkbox"/>
20 - 49	<input type="checkbox"/>
50 - 249	<input type="checkbox"/>
250+	<input type="checkbox"/>

### 9. Board of Management/Governors Declaration - Covid supports

9.1 I confirm that the Board continued to pay Department of Education and Skills grant funded Secretaries, Caretakers and Cleaners as normal for the period the school was closed due to Covid. ☐ Yes ☐ No

9.2 Were Covid-19 financial supports claimed by the Board in respect of Department of Education and Skills grant funded Secretaries, Caretakers and Cleaners? ☐ Yes ☐ No

If the answer is yes please provide the total amount received € \_\_\_\_\_

9.3 Did the Board lay off grant funded Secretaries, Caretakers or Cleaners during this period? ☐ Yes ☐ No

9.3.1 If yes, was this during periods of school closure when they would normally apply for Job-Seekers Allowance if not in receipt of grant funded pay? ☐ Yes ☐ No

9.3.2 If the response at 9.3.1 is no, please provide reason for the Layoff.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.4 The Board understands that grant funding may be reduced by the amount of any Covid-19 financial supports received as identified above and this may be subject to audit at a future date. ☐ Yes ☐ No

9.5 I confirm that the COVID-19 operational supports provided as outlined in circulars 45/2020, 46/2020 and 53/2020 as applicable, to date were specifically used for the purpose of minimising the risk of spread of COVID-19 and that costs were recorded appropriately in the school accounts. ☐

On behalf of the board on \_\_\_\_\_ (insert date)

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Board Member

# Review Draft Annual Accounts

Invite the external accountant to the meeting.

Auditor Report-Look at the opinion section of the accountant/auditors report to ensure there are no adverse statements

Ensure the Board of Management report reflects the schools' activities for the year.

Review the accounting policies and notes to the accounts.

Compare the surplus/deficit on the draft final accounts with the year end management accounts.

Review the cashflow statement – check all bank accounts included.

Request a management letter setting out the internal control weaknesses in the schools accounting procedures.

# CHARITIES REGULATOR

- Charities Act 2009
- Schools are required to register with the Charities Regulator
- RCN to be used in school fundraising activities
- RCN to be on headed paper of the school



**An Rialálaí  
Carthanas**

**Charities  
Regulator**

# CHARITIES REGULATOR

Board of management are Trustees of the charity

Update member details with the Charities Regulator

New members must not be disqualified from being a trustee, under Section 55 of the Charities Act 2009



# The role of the board of management



- The Board of Management is responsible for
- the governance and direction of the school,
  - the use of school resources and
  - the management of budgetary allocations made to the school by the Minister

# The role of the board of management

- The Board is accountable for all activities carried on under its auspices including those activities not financed or controlled by the Department.





# The role of the board of management - Finance

Ensuring proper books and accounts are maintained

Ensure two signatories/approvers for all school cheques/online payments are drawn from a panel approved by the board

Ensure that the school is in compliance with taxation laws and ensure tax liabilities are paid

The annual budget & census is submitted to the DES by the end of June

The annual financial accounts are prepared and submitted to the FSSU

# The role of the board of management - Finance

Setting up a finance sub committee

Ensure that expenditure on travel and subsistence is strictly appraised and monitored

Third party use of the school facilities should be formally approved by the Board of Management

Advanced written approval from the patron/trustee for any overdraft or loan agreement and for any proposed capital expenditure

# Finance sub committee

- The board should set up a finance sub-committee to monitor school finances more closely



# Finance sub committee

- 🔄 Principal and two Board members, Additional person(s) with expertise
- 🔄 Meet before every board meeting
- 🔄 Minutes of meeting are kept



# The function of the finance sub committee



# RECOMMENDED FINANCIAL REPORTS

See Pages 10-19 of:





## Financial Reports Checklist

# Recommended Financial Reports

List of balances on all school bank accounts

Bank reconciliation statement for all bank accounts

Income and Expenditure Account showing actual versus budget figures

Balance Sheet

List of creditors and Accruals

Prepayments and Advance Income

Capital Income and Expenditure Account(s)



# Recommended Financial Reports

## List of Bank Balances



Bank Current Account



Bank Deposit Account



Petty Cash

# Bank Balances

**Finance sub-committee  
should be asking?**

Have any accounts  
been open or  
closed during the  
period?

If yes have proper  
procedures been  
followed?

Are the bank  
balances within  
the limit set by  
the BOM?

Simple Trial Balance Report  
Sample C & C School

Date Range: 1st Sep 2019 To 31st Oct  
2019

Code	Description	Debit	Credit
1800	Current Account	76,489.00	-
1810	Deposit Account	47,948.00	-
1900	Petty Cash A/c	114.00	-
Totals:		€124,551.00	-

# Bank Reconciliation Report

## With listings of receipts and payments

Finance sub-committee should be asking?

Make sure there are no differences on the reconciliation

All items unreconciled are genuine items?

Reconciled up to current accounting period?

Any there any unusual transactions?

### 1800 Current Account

Balance as per Surfaccounts  
Balance per Bank Statement  
**Less** un-presented Payments  
**Plus** un-presented Lodgment  
**Reconciled Balance**

31-Aug-2019  
69,321.40  
70,021.40  
700.00  
0.00  
69,321.40

Date	Ref.No	Lodg.No.	Type	Description	Payments
30/08/2019			Payment	Photocopier leasing	700.00
Totals:					€700.00

# Income and Expenditure Report

**Finance sub-committee should be asking?**

Examine report in detail for unusual or large amounts?

Assess is the school on target to meet its budgetary plan?

Review period  
September to current  
accounting period

This report should show, year to date figures, annual budgeted figures, difference between year to date and budget, and the previous year's figures

Review income and expenditure figures against the budget

# Income and Expenditure Report

I&E Report  
Sample C & C School

Date Range: 1st Sep 2019 To 31st Aug  
2020

		2020			
Code	Description	Current Period	Budget	Variance	Comp. Period
		€	€	€	€
<b>Income and Expenditure Account</b>					
<b>Income</b>					
<b>Income Department Grants</b>					
3010	Non Pay Budget	71,361.00	349,700.00	-278,339.00	380,177.00
3020	DEIS Grant	-	26,500.00	-26,500.00	25,718.00
3030	Non Teachers Pay Budget	44,465.00	222,250.00	-177,785.00	236,887.60
3050	Support Services Grant	9,000.00	156,000.00	-147,000.00	47,948.00
3150	Book Grant	39,000.00	50,700.00	-11,700.00	43,549.00
3190	JCSP Grant	-	-	-	21,101.00
3200	Transition Year Grant	-	14,250.00	-14,250.00	15,183.00
3230	Computer / IT Grant	18,000.00	-	18,000.00	19,457.00
3240	Supervision/Substitution	10,250.00	44,225.00	-33,975.00	32,545.22
3255	SEC Exam Income	-	8,600.00	-8,600.00	9,163.00
3275	Minor Works Grant- Non Capital	-	17,800.00	-17,800.00	-
3290	Other Department Grants - Specify	1,500.00	9,000.00	-7,500.00	8,656.00
		<b>€193,576.00</b>	<b>€899,025.00</b>	<b>€-705,449.00</b>	<b>€840,384.82</b>

# Income and Expenditure Report

		2020			
Code	Description	Current Period	Budget	Variance	Comp. Period
		€	€	€	€
6650	Board of Management Expenses	-	1,000.00	-1,000.00	-
6700	Annual Subscriptions	6,200.00	6,500.00	-300.00	6,650.00
6730	In-School Administration System	2,000.00	10,000.00	-8,000.00	-
6755	Medical and 1st Aid	565.00	1,500.00	-935.00	1,348.00
6800	Hospitality	751.00	8,000.00	-7,249.00	9,074.00
6860	School Canteen	14,712.00	120,000.00	-105,288.00	125,398.00
		<b>€40,820.00</b>	<b>€330,500.00</b>	<b>€-289,680.00</b>	<b>€331,284.00</b>
<b>Expenditure Financial</b>					
7450	Bank Charges	225.00	1,000.00	-775.00	923.00
		<b>€225.00</b>	<b>€1,000.00</b>	<b>€-775.00</b>	<b>€923.00</b>
	<b>TOTAL Expenditure</b>	<b>€203,757.00</b>	<b>€1,101,950.00</b>	<b>€-898,193.00</b>	<b>€1,009,375.00</b>
	<b>NET SURPLUS/DEFICIT</b>	<b>€73,868.00</b>	<b>€23,575.00</b>	<b>€50,293.00</b>	<b>€54,592.37</b>

# Balance Sheet Report

⚙️ This will show the balances at the end of the accounting period (and the prior year)



# Balance Sheet Report

Balance Sheet Report  
Sample C & C School

Date Range: 1st Sep 2019 To 31st Aug  
2020

		2020	2019
Code	Description	Current	Comparative
		€	€
<b>Balance Sheet</b>			
<b>Fixed Assets</b>			
<b>Fixed Asset Fixed asset</b>			
1420	Capital: Furniture, Fittings	44,582.00	44,582.00
		<b>€44,582.00</b>	<b>€44,582.00</b>
<b>TOTAL Fixed Assets</b>		<b>€44,582.00</b>	<b>€44,582.00</b>
<b>Current Assets</b>			
<b>Current Asset Debtors and Prepayments</b>			
1710	Stock	1,598.00	1,598.00
1720	Prepayments	12,131.82	12,131.82
		<b>€13,729.82</b>	<b>€13,729.82</b>
<b>Bank and Cash Accounts</b>			
1800	Current Account	76,489.00	6,489.00
1810	Deposit Account	47,948.00	47,948.00
1900	Petty Cash A/c	114.00	107.00
		<b>€124,551.00</b>	<b>€54,544.00</b>
<b>TOTAL Current Assets</b>		<b>€138,280.82</b>	<b>€68,273.82</b>



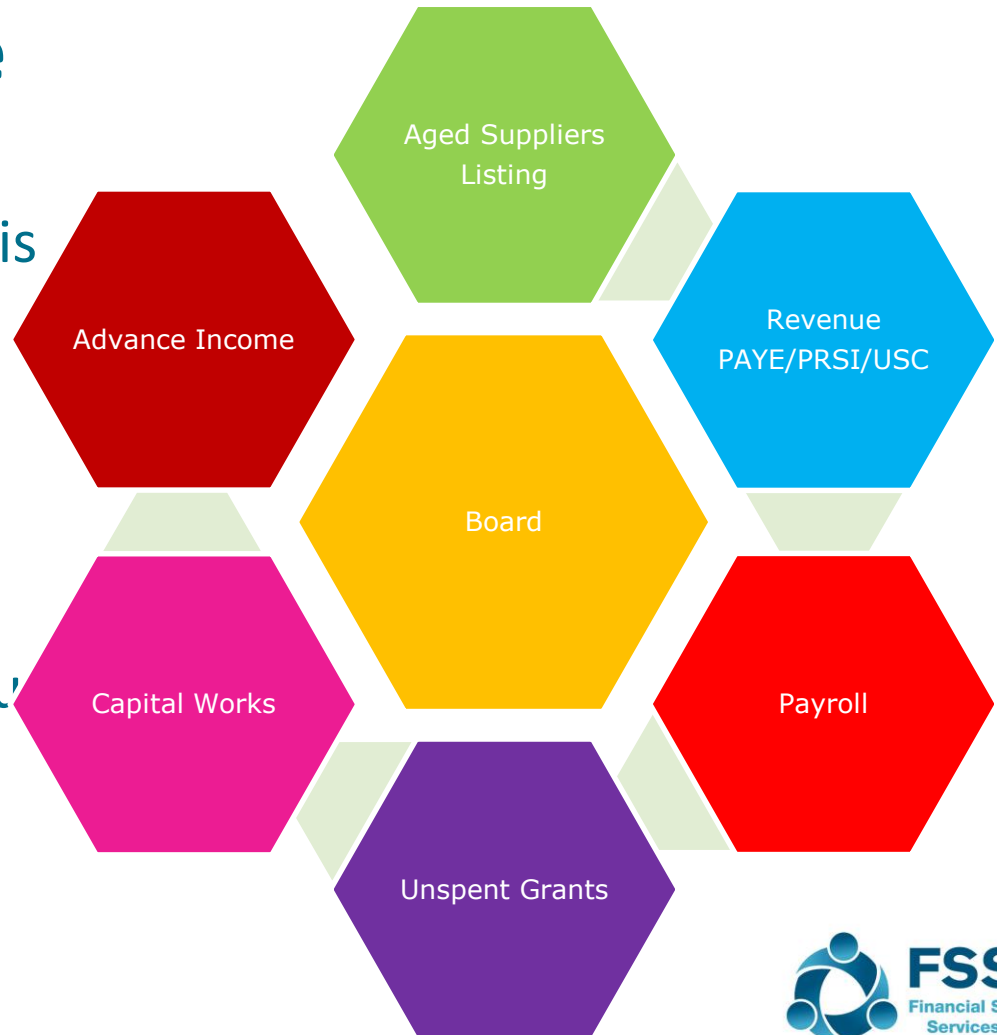
# Balance Sheet Report

Current Liabilities			
Current Liability Accruals			
2150	Grants Received in Advance	797.00	3,197.00
2250	PAYE/PRSI Control	2,722.00	2,983.00
2440	Accruals	515.00	1,715.00
		€4,034.00	€7,895.00
Current Assets less Current Liabilities		€134,246.82	€60,378.82
Total Assets less Current Liabilities		€178,828.82	€104,960.82
Capital & Reserves			
Capital and Reserves Retained Profit			
2700	Retained Surplus	54,592.37	-
2710	Surplus Brought Forward	13,075.45	13,075.45
		€67,667.82	€13,075.45
Capital and Reserves Contribution Fixed Assets			
3920	DES Equipment Grants	37,293.00	37,293.00
		€37,293.00	€37,293.00
TOTAL Capital & Reserves		€104,960.82	€50,368.45
Income And Expenditure Account		€73,868.00	€54,592.37
		€178,828.82	€104,960.82

# List of Creditors/Suppliers

## Finance sub-committee should be asking?

- Check to see that school is paying its bills on time
- Has the school sufficient funds to cover the liabilities
- An Accrual is an expense that has been incurred but the invoice has not yet been received – manual list

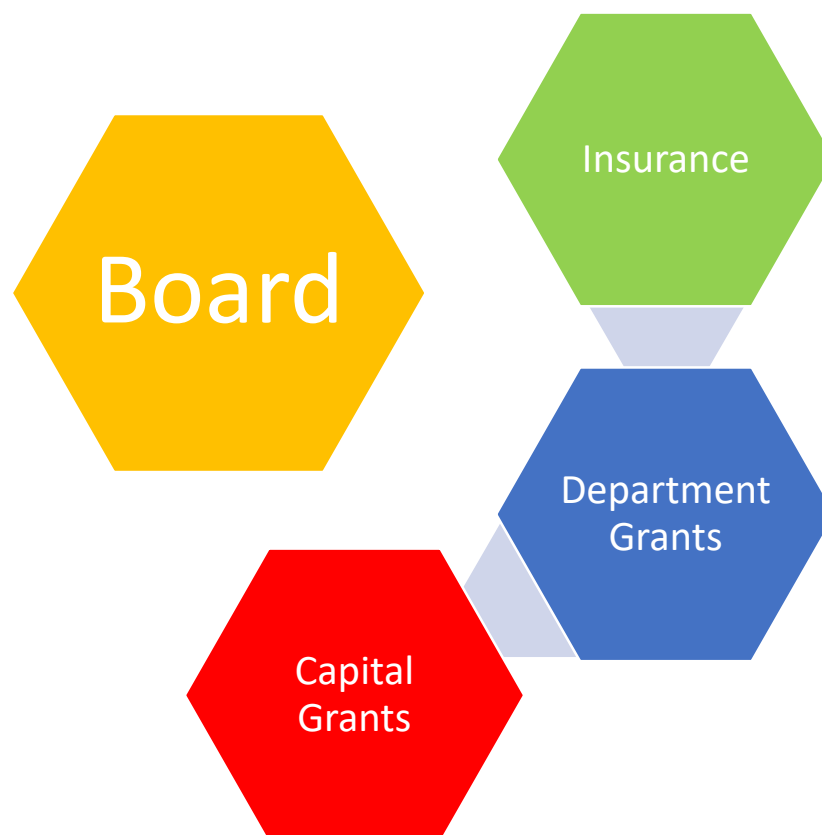


# Prepayments



## Finance sub-committee should be asking?

- Monies paid in advance for goods and services
- Are the expenses allocated to the correct period

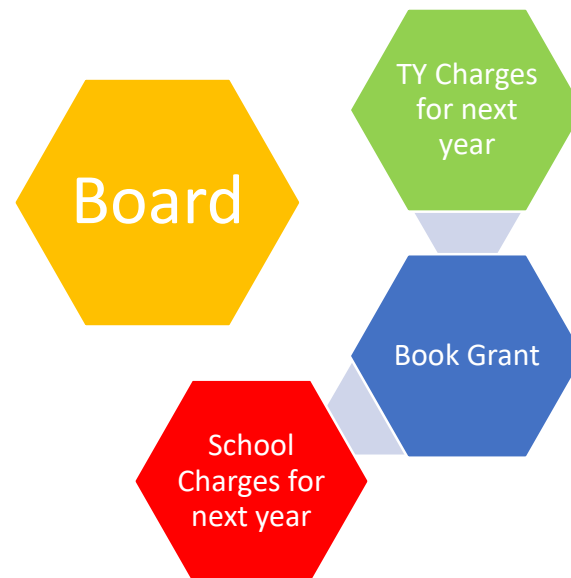


# Income received in advance



## Finance sub-committee should be asking?

- Is this income allocated to the correct period?
- What are the balances of unspent grants?
- Have grants received for a specific purpose been reconciled? E.g. Supervision & Substitution



# Capital Income and Expenditure Account

## Finance sub-committee should be asking?

- Check the project is running within the budget



# Capital Income & Expenditure

## School Sample Data Capital Income and Expenditure Report

### Capital Programme

<b>Capital Expenditure:</b>	<b>€</b>
<b>A. C &amp; T Crampton</b>	540,000.00
School Furniture Supply Company	25,000.00
Dell Computers	1,500.00
<b>Total Capital Expenditure</b>	<b>566,500.00</b>
 <b>B. Funding to finance Capital Expenditure:</b>	
Department of Education and Skills Capital Grants	700,000.00
Parents' Association / Council	20,000.00
Parents' Contributions	—
Fundraising	20,000.00
Other	—
<b>Total Capital Revenue</b>	<b>740,000.00</b>
 <b>Surplus/Deficit</b>	<b>173,500.00</b>
 <b>Total Capital Expenditure Outstanding</b>	<b>185,000.00</b>

# Finance Sub-Committee

The finance sub-committee should give a summary of the salient points to the board.



# Welcome to the Financial Support Services Unit

The FSSU is a support mechanism for the school management in the Voluntary Secondary and Primary School sectors which assists them in complying with the provisions of the Education Act 1998 in terms of transparency, accountability and financial responsibility for State and other funding.

The FSSU addresses the financial interests and responsibilities of the Department of Education & Skills, Boards of Management, Principals and other partners as defined by the Education Act. The FSSU is fully funded by the Department of Education and Skills and is under the aegis of the Joint Managerial Body.

**PRIMARY**



**POST-PRIMARY**





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[Revised Salaries from 1st Oct 2020](#)

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C&amp;C

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[Annual VAT Return of Trading Details \(RTD\)](#)

06 - 2020/2021

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[Update to Revised Chart of Accounts – C&C](#)

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C&amp;C

[Year-End 2019/2020 on Sage 50](#)

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[Year-End 2019/2020 on Surf Accounts](#)

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# Thank You for Attending

