Training Video for Clerical Officer/Accounts Secretary

Basic Financial Controls

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Objective of this **short video on basic financial controls**

- To give practical examples of the basic controls that should be in place in the area of school finances.

- Some recommended resources on https://www.fssu.ie/post-primary/

    - Financial guidelines

    - Checklists

    - Presentations

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Areas to be covered:

- ✓ Objectives of a good system of financial management
- ✓ Why there is a need to have financial controls
- ✓ Income receipts –
    - ✓ Grants from the Department of Education
    - ✓ Cash receipt of monies
    - ✓ Electronic systems for income
- ✓ Expenditure –
    - ✓ Payment procedures
    - ✓ Credit card controls
    - ✓ Controls over purchases
    - ✓ Controls over petty cash
    - ✓ Procurement
- ✓ Budgeting
- ✓ OLCS

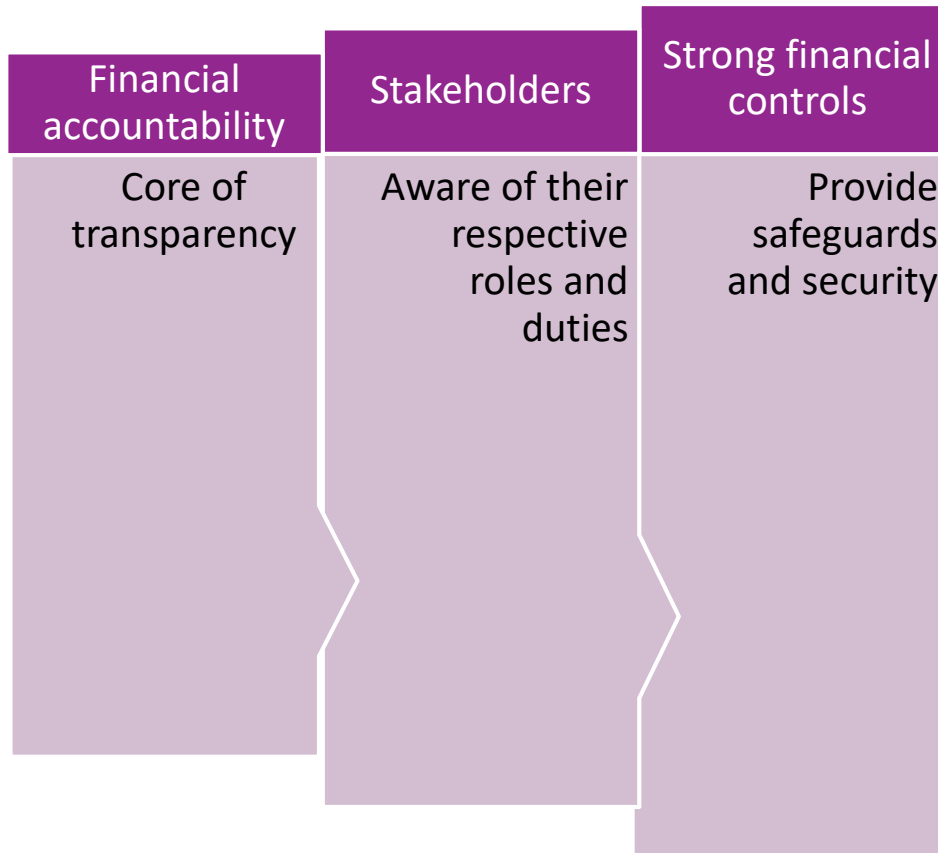**FSSU**
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The objectives of a good system of financial control:

- ✓ Adherence to policies & procedures and best practice guidelines

- ✓ Strong and adequate safeguards

- ✓ Accounts give a true reflection of school finances

- ✓ Control over liabilities

- ✓ Revenue compliance

INTERNAL FINANCIAL CONTROLS

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Why there is a need to have financial controls & what do these controls mean to the CO/Accounts Secretary?

Financial accountability	Stakeholders	Strong financial controls
Core of transparency	Aware of their respective roles and duties	Provide safeguards and security

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Examples of internal financial controls include:

- ✓ Financial policies and procedures;
- ✓ Clear definition of roles and responsibilities;
- ✓ Segregation of duties;
- ✓ Regular and timely reconciliations;
- ✓ Clear approval structures;
- ✓ Monthly financial reporting;
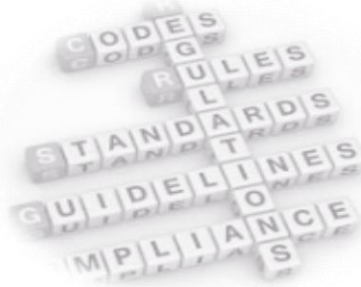
School finance areas include:

- ✓ Income

- ✓ Expenditure

- ✓ Banking

- ✓ Payroll

- ✓ RCT/VAT

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School Finances:

✓ Daily / weekly / monthly and annually

✓ Busy periods and quieter periods

✓ Efficient system

✓ Errors identified and rectified

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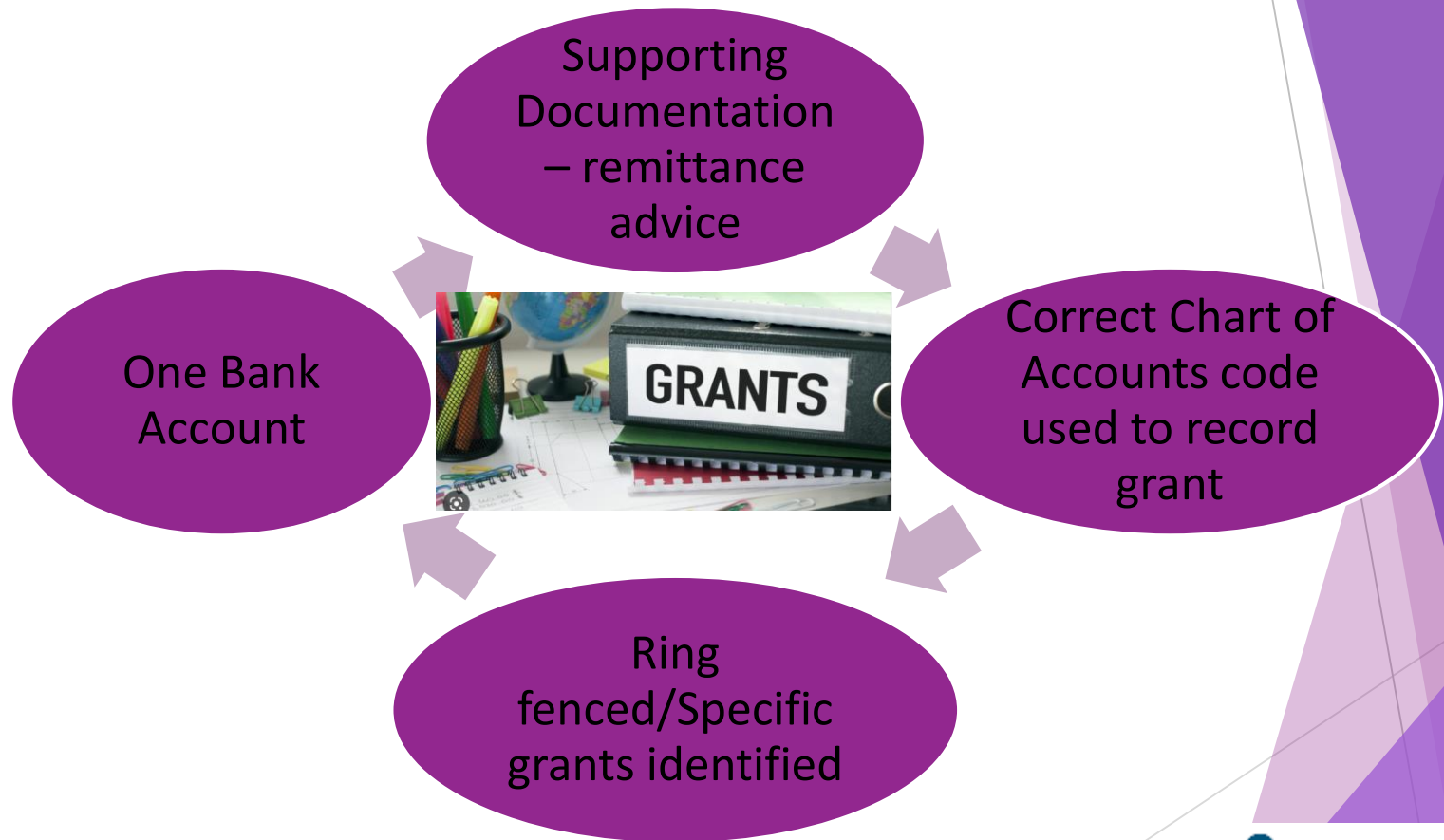Services Unit

Income

- ✓ Maintained in a secure location;

- ✓ Accurately counted and reconciled;

- ✓ Banked in a timely manner;

- ✓ Accurately recorded in the schools accounting system;

- ✓ Generate monthly reports and reconcile

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Control over Grants from the Department of Education

Practical examples of controls for cash receipts

Counting and recording cash by a minimum of 2 people, in a secure space

Cash not lodged immediately to be kept in a secure location & unsecured cash should never be left unattended
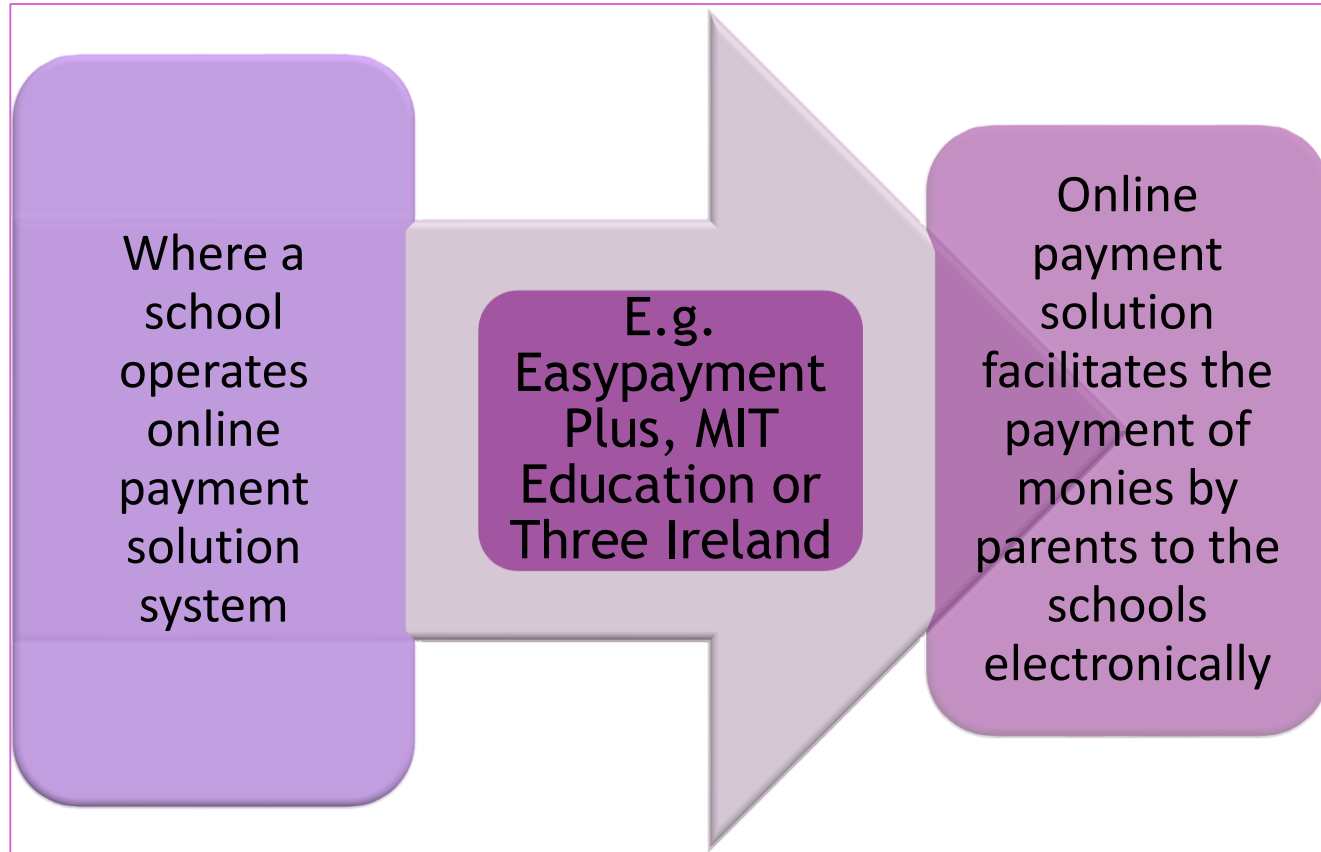
Cash & cheques banked as soon as possible.

Under **no** circumstances should any cash be retained for cash spending.

All supporting documentation should be filed together

A receipt from a pre-numbered receipt book should be issued for all cash received

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What is an Online payment solution?

Where a school operates online payment solution system

E.g. Easypayment Plus, MIT Education or Three Ireland

Online payment solution facilitates the payment of monies by parents to the schools electronically

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Online payment solutions ==system==

Examples of payments processed:

❯ School Fees	❯ School Tours	❯ School Books
❯ Insurance Cover	❯ Exam Fees	❯ School Materials
❯ Uniforms	❯ Transition Year Expenses	❯ Voluntary Contributions
❯ First Year Booking Deposit	❯ Bus Hire	❯ Summer Camps
❯ Extra-Curricular Activities	❯ After School Study	❯ Fundraising

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What is Online payment solutions clearing account?

Where a school operates online payment solution system for receipt of funds from parents of guardians the

Online payment solution clearing account in the accounts system facilitates efficient recording of income received

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Online payment solutions

- ✓ Online lodgments from parents' income collection system to be posted to code 1870 Online payment solution clearing account as they are received

- ✓ Weekly / monthly analysis report

- ✓ Income codes

- ✓ Accounts package - Control Account Code 1870

- ✓ Contact us for training

Payments procedures:

Internal financial controls for expenditure ensure that:

- ✓ Expenditure is authorised and valid;

- ✓ Goods or services ordered/invoiced have actually been received;

- ✓ Expenditure is paid from funds within approved budgets;

- ✓ Supporting documents verified;

- ✓ Accurately recorded;

- ✓ Revenue compliant

- ✓ Reconciled regularly

Budget

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Controls in relation to all payments cheques & EFT or CT's

✓ Access to banking online.

✓ CO/ accounts secretary = preparer of payments **NOT** approver

✓ If authorised to use BOL you **must**:

    ✓ keep your User Name/ID and password secure at all times

    ✓ never reveal passwords to a third party.

    ✓ always logout of BOL before leaving a computer unattended.

✓ Cheque payments => CO/accounts secretary = preparer and **NOT** a signatory.

✓ Principal = approver and cheque signatory on ALL bank accounts along with another person nominated by the board

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General Banking Controls:

✓ The number of bank accounts kept to a minimum

✓ Monthly Bank reconciliation

✓ Bank statements filed correctly

✓ Secure storage

✓ Only one cheque book and one lodgement book in use

✓ Cheques should be written in sequence

✓ Cancelled cheques to be filed with the relevant cheque book

✓ Old cheque books & lodgement books should be stored safely along with the bank statements for each school year.

✓ Records to be kept for a minimum of 7 years (current year + 6).

Controls over Credit Card use

- ✓ Prior approval from the trustee/patron for the application of a school credit card is required

- ✓ No debit card allowed

- ✓ Controls around the use of school credit card as per Guideline 11-2018/2019 & Guideline 29-2021/2022
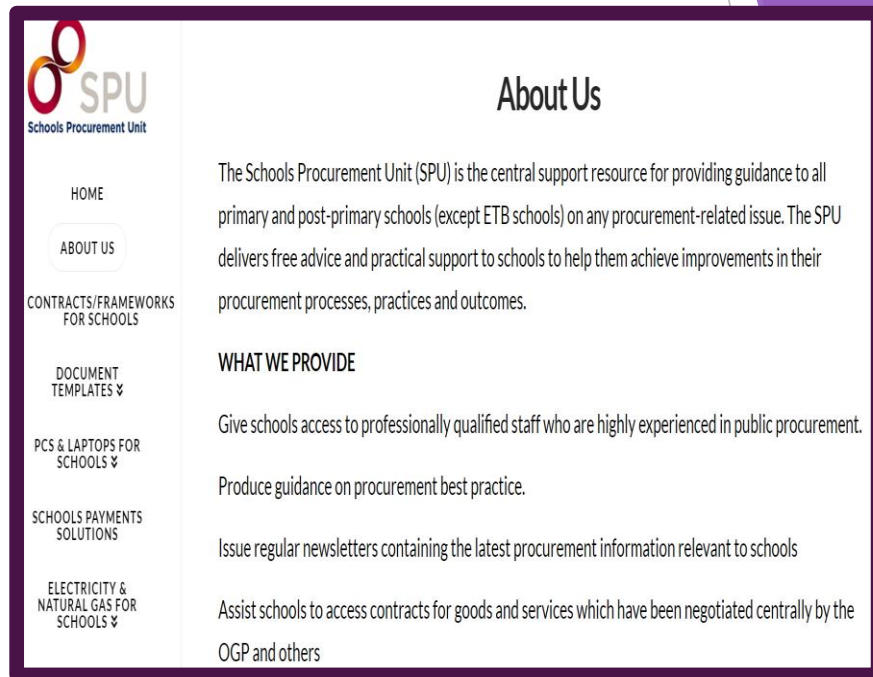
Purchase Order (PO) Procedures

- ✓ These should be established by the board of management
- ✓ They should set out the arrangements for buying, receipt and accounting for goods
- ✓ All suppliers should be reputable, competent and Revenue compliant.
- ✓ Apart from routine items, purchases may only be made on foot of an approved PO certified by the Principal.
- ✓ Payment to be made on the basis of a valid invoice, delivery docket and PO
- ✓ More detailed guidance is available on FSSU.ie Purchase Order Procedures.pdf

Procurement

- ✓ Tendering procedures must apply > €5,000

- ✓ In all other cases at least 3 quotations should be obtained

- ✓ Contact the School Procurement Unit (SPU)

- ✓ Email procurementsupport@spu.ie

- ✓ www.spu.ie

About Us

The Schools Procurement Unit (SPU) is the central support resource for providing guidance to all primary and post-primary schools (except ETB schools) on any procurement-related issue. The SPU delivers free advice and practical support to schools to help them achieve improvements in their procurement processes, practices and outcomes.

WHAT WE PROVIDE

Give schools access to professionally qualified staff who are highly experienced in public procurement.

Produce guidance on procurement best practice.

Issue regular newsletters containing the latest procurement information relevant to schools

Assist schools to access contracts for goods and services which have been negotiated centrally by the OGP and others

Petty Cash

✓ Used to facilitate small incidental payments

✓ A lockable box to be maintained for petty cash

✓ Limits should be approved by the board e.g. :

　　✓ Suggested maximum spend of €50

　　✓ Suggested for control & security float of €200

✓ Petty cash payments from petty cash box only

✓ Receipts for all expenditure to be obtained and money to be reconciled

✓ A detailed record of petty cash to be signed off regularly by principal

✓ See detailed guidance on petty cash : https://www.fssu.ie/post-primary/topics/accounting-procedures/petty-cash/
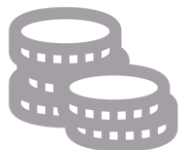
Budgeting

- ✓ When preparing the school budget for the forthcoming year the following financial reports will be of assistance:

- ✓ Income and Expenditure report from the most recent reconciled period and the previous year

- ✓ General ledger account activity report from the most recent reconciled period and the previous year

- ✓ Most recent school census report

- ✓ Current list of employees paid directly on the school payroll

- ✓ Detailed guidance on budget preparation is on our website with support and training provided annually - https://www.fssu.ie/post-primary/topics/budgeting/

OLCS – Online Claims System

✓ Record absences for Staff paid directly on the Departments payroll & to make claims for substitution in respect of teachers and SNA's.

✓ 3 roles

  ✓ Data entry person

  ✓ Data approver

  ✓ 2nd approver

✓ Passwords to be kept secured and should not be shared

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2013/2014 Financial Guideline-02

Operation of the Online Claims System

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OLCS – Online Claims System Reports

The following reports will need to be generated regularly

- ✓ A short report should for BOM of all claims on OLCS since the board meeting.

- ✓ A report on all absences recorded on the OLCS should be supplied to each staff member at intervals recommended by the BOM

- ✓ This report to be done at least once per school term.

- ✓ Each staff member should sign the absence report and a copy to be retained in the school.

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Operation of the Online Claims System

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Thank you for taking the time to follow this video.

If you have any specific requests in regard to topics you would like to see covered please do not hesitate to contact us.

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