

Financial Training for Boards of Management

February 2024



Webinar



Webinar recording



Email



Download



Questions

Financial Support Services Unit (FSSU)

The FSSU was set up under DE 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

Financial Support Services Unit (FSSU)

Advice & Support

Standard National
Template

Central Repository

Compliance

Audit

Training

Advice and Support



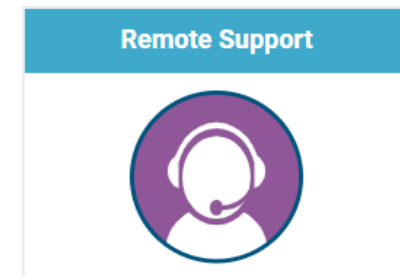
9-7 Monday – Thursday
9-5 Friday



Primary@fssu.ie



Helpful resources



Remote Support
via Teamviewer

Agenda

The Role & Responsibilities of the Board of Management

Important Controls to have in place

Reporting

Q&A



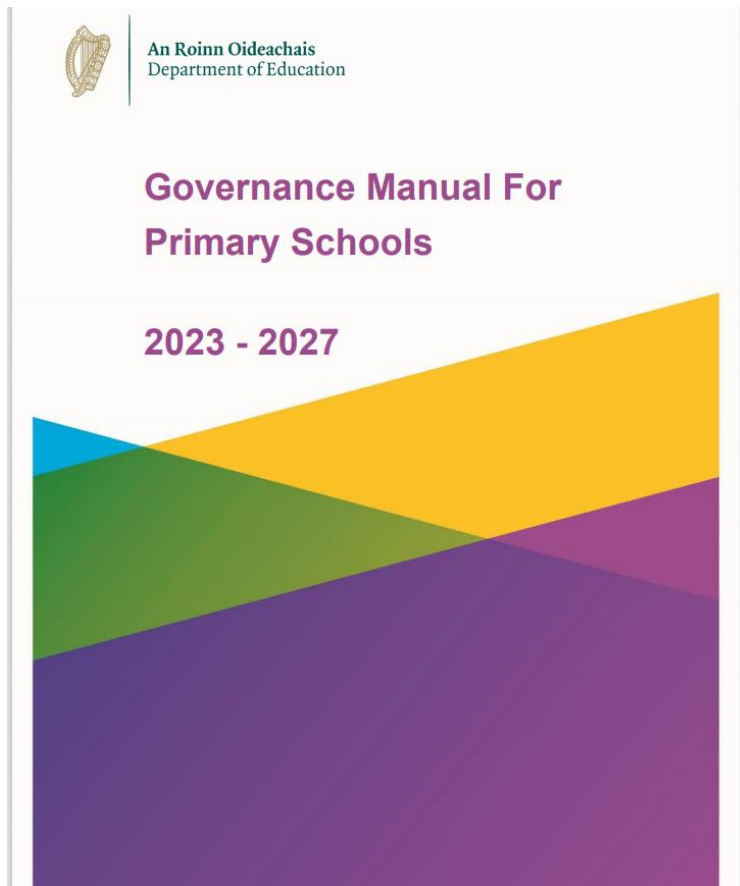
The Role & Responsibility of the Board of Management



Under the Education Act 1998, the board of management is responsible for ensuring that the financial governance responsibilities of the board are met. The board must:

- ▶ Adhere to the provisions of the Education Act 1998
- ▶ Comply with the requirements of the 'School Governance Manual for Primary Schools' issued by the Department of Education every 4 years
- ▶ Adhere to the requirements of the Charities Regulator
- ▶ Comply with guidance and requirements from the Revenue Commissioners
- ▶ Promote and adhere to best financial practice.

The Role & Responsibility of the Board of Management



- ▶ The Governance Manual for Primary Schools 2023 – 2027
- ▶ Section 17 relates to Finance
 - Boards have a statutory duty to ensure that appropriate systems and procedures are in place to ensure school financial resources including grants are managed appropriately and efficiently and in a manner that provides for appropriate accountability to the relevant parties
- ▶ Section 12 relates to the Treasurer

Board of management and school finance



Board of management and school finance



- “The board of management delegates the day-to-day management of the school to the Principal who is given authority to act on behalf of the board. The Principal is required “to carry out his/her functions in accordance with such policies as may be determined from time to time by the board and regulations made under the Act”. (Section 23 - Education Act 1998)

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Income

Fixed Asset
Register

OLCS

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Income

Fixed Asset
Register

OLCS

Internal Controls

- Banking



- Chairperson and Treasurer must approve payments
- Chairperson can delegate to another board member.
- Treasurer **must** approve all payments.

- Board must approve signatories
- Record this approval in the minutes
- Banking policy in place
- Bank Statements in the name address of the board

- Never Sign a Blank Cheque
- Always view supporting documentation before approving payments
- Keep number of bank accounts to a minimum

- The board should approve the use of petty Cash
- Put a petty cash policy in place
- Never use school income for petty cash

NB No Debit Card Permitted

Internal Controls

-Credit cards



Board of Management and Patron Approval

Recorded in the School Accounts
No Cash Withdrawals Permitted

Principal is the only person that should
have a school credit card

Credit card policy in place

Monthly credit card statement should have all
receipts attached and signed by the Treasurer

Important Controls to have in place

Banking

**Reporting to the Board
of Management**

Budgeting

Purchasing

Payroll

Revenue
Commissioners

Fixed Asset
Register

OLCS

Reporting to the Board of Management

Finance should be on the Agenda of every board meeting

16



A bank reconciliation for each bank account showing the balances on all school bank account



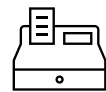
Income and Expenditure Account Report showing actual versus budgeted figures



Capital I&E Account Report (if applicable)



List of all creditors/accruals



Summary of income/grants received in advance for the next school year and prepayments.

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Revenue
Commissioners

Fixed Asset
Register

OLCS

Annual Budgeting

Section 17.8

'the board shall frame and adopt a budget for the coming school year'



Training



Review the Budget



Ensure board approval



Monitor the budget

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Revenue
Commissioners

Fixed Asset
Register

OLCS

Internal Controls



Purchasing controls in place

Adhere to budget limits set

Principal signs off on all purchases

Large amounts approved by the board

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Revenue
Commissioners

Fixed Asset
Register

OLCS

Payroll



Ensure contracts in place for all staff



Correct rate of pay
Min rate €12.70



All pay is processed through payroll



Returns and payments are made to Revenue by due date

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Income Controls

Fixed Asset
Register

OLCS

Income Controls



Electronic collection System



2 people counting cash



Issue receipts



Cash lodged intact



Stored in a safe

NB Keep School income separate from Petty Cash

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Income Controls

Fixed Asset
Register

OLCS

Fixed Asset Register

- ▶ Fixed Asset Register
- ▶ Safeguarding of assets including ipads, laptops, printers, photocopiers etc
- ▶ High value capital items.
- ▶ Count at least once a year
- ▶ Barcode to identify each asset
- ▶ Insurance valuation purposes



Sample Assets Register						
Quantity	Item	Cost	Date Purchased	School Dept.	Where Kept	Identity No's.
COMPUTERS						
2	HP 7500	€4,800.00	04/08/20XX	IT	Rooms 10,34	C/CP/1-2
3	HP 7300	€3,120.00	03/11/20XX	Staff.	Rooms 11,35	S/CP/1-3
1	HP 7500	€1,100.00	04/08/20XX	IT	Principal's Room	CP/1
2	Dell 2100K	€2,820.00	04/01/20XX	Staff.	Rooms 13,47	Ad/L/1-2
OFFICE EQUIPMENT						
1	Canon 3060 Printer	€9,680.00	03/08/20XX	Staff.	Secretary Room	T/CV/1-16
AUDIO-VISUAL						
5	Sony 21" TV	€2,250.00	01/01/20XX	A/V	Rooms 9,10,25,32,34	TV 1-5
3	Sony DVD Players	€750.00	03/03/20XX	A/V	Rooms 9,25,32	DVD 1-3
2	Sony Video Recorders	€480.00	05/09/20XX	A/V	Rooms 10,34	VR1-2
7	O/H Projectors	€2,600.00	02/03/20XX	Education	Rooms 1,2,3,6,7,12...	O/H P 1-7
20	Interactive White Boards	€11,120.00	03/08/20XX	Class	Store Rooms	T/BS/1-20

Important Controls to have in place

Banking

Reporting to the Board
of Management

Budgeting

Purchasing

Payroll

Income Controls

Fixed Asset
Register

OLCS

OLCS - On-line Claims System

Circular 24/2013

The OLCS is used to report staff absences and record details of Substitutes. The Board must:

- ▶ Ensure that the level the integrity of the system is maintained at all times
- ▶ Formally approve the roles of personnel involved in the OLCS. The roles are data entry, first approver, second approver and Local Administrator.
- ▶ Ensure the role of Data Entry and Approver and kept separate ie cannot approve own absence.
- ▶ Ensure that supporting documentation is retained securely in the school with i.e. medical certificates, attendance at in-service etc
- ▶ A short report should be read into the minutes of every board of management meeting, listing the names of all substitutes and part-time teachers for whom claims have been made on the OLCS system since the last board meeting.
- ▶ A report on all absences recorded on the OLCS should be supplied to each staff member at least once in each school term. Each staff member should sign the absence report and a copy to be retained in the school

Reporting

Department of Education/ FSSU

Charity Regulator

Revenue Commissioners

Reporting - Department of Education & the FSSU

Key Points:

- All boards must engage an external accountant to submit annual accounts on their behalf to the FSSU
- When draft accounts have been completed by the external accountant, they are presented to the board for formal ratification and a copy sent to the patron. The current Chairperson and the Treasurer should approve the annual accounts.
- It is the responsibility of the Board to ensure submission of the annual accounts to the FSSU by the 28th of February each year to ensure compliance with Section 18 of the Education Act 1998.
- Annual financial reporting requirements of the Charities Act 2009 and the Central Statistics Office
- A financial report to parents should be made available to parents of children in the school

Deadline

28th Feb

Approval of Annual Accounts for 2022/2023

- ▶ **Approval of annual accounts for 2022/2023**
- ❑ **The board of management is a perpetuity**
- ❑ **New term from 01.12.23 – 30.11.27**
- ❑ **It's the board member in situ at the time of signing the annual accounts**

For Example

- ❑ **If annual accounts are presented to the board in Nov 23 the previous Chairperson and Treasurer of the board would sign**
- ❑ **If annual accounts are presented to the board in December 23 onwards then the new Chairperson and Treasurer of the board would sign**

Charities Regulator Requirements

All schools must be registered (www.charitiesregulator.ie)

RCN – on school headed paper, website, fundraising material

Update board of management members details (referred to as trustees by the charities regulator)

Review annual report – deadline 30th June each year

Reporting - Revenue Commissioners

Board as an Employer

- ▶ Review register of Employees regularly
- ▶ Ensure all staff are processed through payroll and appropriate deductions for PAYE / PRSI / USC
- ▶ Enhanced Reporting Requirements for Travel & Subsistence, Small Gift Benefit and remote working Allowance
- ▶ Payments to independent Assessors
- ▶ Employee v's Self Employed

Board as a principal contractor

- ▶ Ensure the Board is registered for VAT & RCT (Relevant Contracts Tax)
- ▶ Ensure all RCT contracts for repairs and construction activities are notified to Revenue before payment is made
- ▶ VAT & RCT returns and payments must be paid to Revenue by due date
- ▶ Review - Revenue Guidelines for Boards of Management (www.fssu.ie)



Financial Support Services Unit (FSSU)



www.fssu.ie



01 910 4020



primary@fssu.ie



Questions?