

Appointment of an External Accountant by the Board of Management

This guideline supersedes Financial Guideline P06 – 2018/2019

Introduction

In line with the requirements of Section 18 of the Education Act 1998, boards of management of recognised schools are required to ensure that annual accounts are prepared in accordance with best accounting practice. Under circulars [0060/2017](#) and [0002/2018](#), annual accounts are to be prepared and submitted in a format outlined by the FSSU. It is therefore necessary that all boards of management engage an external accountant.

The advice outlined in this financial guideline is to assist a board of management to appoint an external accountant for the first time, or to assist a board of management who may wish to change their current external accountant. Please ensure that appointment of an external accountant is in line with requirements of the patron/trustee.

Guidance on engaging an external school accountant

➤ **The following criteria are essential for the external accountant selected by the board:**

- I. The external accountant must belong to a Prescribed Accountancy Body that comes within the supervisory remit of the Irish Auditing and Accountancy Supervisory Authority (IAASA).
- II. The external accountant must hold a Practicing Certificate.
- III. The external accountant must provide proof of professional indemnity insurance of a minimum of €50,000.

To help with the selection of the external accountant, the FSSU suggests that the following questions are included in the request for quotation:

- Has the external accountant experience of preparing primary school accounts?
- What is the availability to provide support by phone or email?
- What are the fees for the service?
- Is the external accountant familiar with the Education Act 1998, Charities Act 2009 and the FSSU's filing requirements?
- Has the external accountant a Practicing Certificate?
- Has the external accountant professional indemnity insurance of a minimum of €50,000?
- Prepare annual school accounts in accordance with the FSSU prescribed template and timeline.

- Prepare a summary financial report for parents.
- Submit the school's annual return on the FSSU secure online cloud-based system. The school's annual return consists of inputting the school's trial balance, uploading the approved annual schools accounts, and completing the information required by the Charities Regulator on the online system.
- Preparation of adjustments to the school's trial balance to be posted on the school's accounts package.
- The Department of Education and the Charities Regulator requests that where an external accountant becomes aware of fraud or misappropriation of school funds in the course of their work with a recognised school, the external accountant will inform the FSSU immediately.

Quotation Process

- Competitive quotation procedures should be followed for the selection of the external accountant. The invitation to quote may be issued directly to the external accountant practices which would be capable of carrying out the contract and are of good professional standing. [The Request for Quotation form is available here.](#)
- A minimum of three quotes must be obtained.
- The invitation should be standard for all external accountant practices invited and contain adequate information concerning the scope and nature of the contract.
- Quotations should be evaluated according to the principle of obtaining best value for money and in line with the criteria stated in the request for quotations and the date of receipt of quote must be specified.
- The opening of quotations should take place in the presence of at least three persons designated by the board for the purpose, one of whom must be the Principal.
- Unsuccessful quoters should be provided with bespoke feedback without undue delay as to why they have been unsuccessful. Template results letters are available on <https://www.spu.ie/notification-of-award-letters-templates/>

Appointment of the external school accountant

- Ensure you have a clear understanding of the fee structure.
- Once the board of management has selected an external accountant, a letter of engagement should be agreed and signed by the board of management. This will be provided by your external accountant and should cover the responsibilities of the board of management and the external accountant. It should also set out the services provided by the accountant e.g. prepare annual year-end accounts, payroll services etc.
- The board should obtain a copy of the professional indemnity insurance and written confirmation of membership with the Prescribed Accountancy Body.

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22nd May 2024