

## Financial Guideline 2019/2020 – 45

### Community & Comprehensive and Voluntary Secondary schools

## Appointment of An External Accountant/Auditor by the Board of Management

### 1. Introduction

In line with the requirements of Section 18 of the Education Act 1998, boards of management of recognised schools are required to keep proper accounts. Under the Department of Education Circulars [0060/2017](#) and [0002/2018](#), it is stated that the annual accounts are to be prepared and submitted in a format outlined by the FSSU. The DES has prescribed the school year end to be 31st August. It is therefore necessary that all boards of management engage an external accountant/auditor. The advice outlined in this Financial Guideline is to assist a board to appoint an external accountant/auditor for the first time, or to assist a board who may wish to change their current external accountant/auditor. Please ensure that appointment of an external accountant/auditor is in line with requirements of the patron/trustee.

### 2. Guidance on engaging an external accountant/auditor

#### 2.1 The following criteria are essential for the external accountant/auditor selected by the board:

- (i) The external accountant/auditor selected must provide confirmation that their organisation is a member of a Prescribed Accountancy Body that comes within the supervisory remit of the Irish Auditing and Accounting Supervisory Authority (IAASA)
- (ii) A professional services delivery company, providing auditing and accountancy services must provide confirmation that they are a registered company and comply with their Companies Registration Office requirements.
- (iii) Current Practising Certificate.
- (iv) Professional Indemnity Insurance at a minimum of €50,000.
- (v) Compliance with continuing professional development as required by their professional body.

#### 2.2 The duties of the external accountant/auditor are:

- Prepare annual school accounts in accordance with the FSSU prescribed template and timeline.
- Prepare a summary financial report for parents.

- Presentation of the annual school accounts at the board of management meeting.
- 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/auditor becomes aware of fraud or misappropriation of school funds in the course of their work with a recognised school, the external accountant/auditor will inform the FSSU immediately.

### **3. Quotation Process**

- Competitive quotation procedures should be followed for the selection of the external accountant/auditor. The invitation to quote may be issued directly to the external accountant /auditors' 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/auditors' practices invited and contain adequate information concerning the scope and nature of the contract.
- A date for receipt of quotes must be specified.
- 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.
- 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. The Finance Sub-Committee could also fulfil this function.
- 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/>.

### **4. Meeting the new external accountant/auditor**

- Formally meet the partner/manager of the accountancy practice selected to set out the accounting services required outlined above and discuss these in detail.
- Ask if they are familiar with the reporting requirements for schools under the Education Act 1998, DES circulars, FSSU guidelines, Charities Act and other government legislation.

- It is important to have continuity of staff from the accountancy practice carrying out the work and request that a least one senior member of the staff is always assigned to the job.
- Enquire about additional support services they can provide to the school.
- Ensure that you have a clear understanding of the fee structure.

## **5. External accountant/auditor - Engagement Letter**

Once the board of management has selected an external accountant/auditor, a Letter of Engagement should be agreed and signed by the board. This will be provided by the external accountant/auditor and should cover the responsibilities of the board of management and the external accountant/auditor.

This document is a contract between the board and the accountancy practice which details, amongst other things, the boards responsibilities, the practice's responsibilities and the basis on which fees will be charged. This document should be reviewed carefully, and all amendments notified to the external accountant/auditor immediately.

The Engagement Letter should include:

- The scope and details of the contract as set out in the quotation process.
- Any additional requests agreed at your meeting with the external accountant/auditor, including:
  - the external accountant/auditor will arrange a meeting with the Principal/Finance sub-committee to review the final accounts and discuss the issues that came to their attention during their work. During this review it is important that Principal/Finance sub-committee members fully understand the accounts and get clarification on any figures that they are not familiar with.
  - The external accountant/auditor shall prepare a report highlighting the weaknesses in the school's internal controls and accounting systems and give their recommendations.
  - The external accountant/auditor will attend the board meeting and present the annual school accounts.

A copy of the signed Engagement Letter should be filed in the school.

*Further information or clarification on any of the issues raised in this guideline can be obtained from the FSSU.*

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15<sup>th</sup> June 2020

## Treoirlíne Airgeadais 2019/2020 – 45

### Pobalscoileanna, Scoileanna Cuimsitheacha agus Meánscoileanna Deonacha

## Cuntasóir/Iniúcháir Seachtrach á Cheapadh ag an mBord Bainistíochta

### 1. Réamhrá:

I gcomhréir le hAlt 18 den Acht Oideachais 1998, tá de cheangal ar bhoird bhainistíochta i scoileanna aitheanta, cuntais chúí a choinneáil. Faoi Chiorcláin [0060/2017](#) agus [0002/2018](#) ón Roinn Oideachais, tá sé sonraithe gur gá na cuntais bhliantúla a ullmhú agus a chur isteach i bhformáid atá leagtha amach ag FSSU. Tá sé ordaithe ag an Roinn Oideachais gurb é an 31 Lúnasa deireadh na scoilbhliana. Dá bhrí sin, ní mór do na boird bhainistíochta uile cuntasóir/iniúcháir seachtrach a fhostú. An chomhairle atá leagtha amach sa Treoirlíne Airgeadais seo, tá sí ceaptha cabhrú le bord, cuntasóir/iniúcháir seachtrach a cheapadh den chéad uair, nó cabhrú le bord a d'fhéadfadh a bheith ag iarraidh an cuntasóir/iniúcháir seachtrach atá acu faoi láthair a athrú. Iarrtar ort a chinntiú go gceaptar an cuntasóir/iniúcháir seachtrach i gcomhréir le riachtanais an phátrúin/iontaobhaí.

### 2. Treoir maidir le cuntasóir/iniúcháir seachtrach a fhostú:

#### 2.1 Tá na critéir seo a leanas bunriachtanach don chuntasóir/iniúcháir seachtrach a roghnaíonn an bord:

- (i) Is gá don chuntasóir/iniúcháir seachtrach a cheapfar dearbhú a sholáthar gur ball í a (h)eagraíocht de Chomhlacht Cuntasaíochta Forordaithe atá faoi shainchúram maoirseachta Údarás Maoirseachta Iniúchta agus Cuntasaíochta na hÉireann (IAASA).
- (ii) Aon cuideachta soláthair seirbhísí gairmiúla a chuireann seirbhísí iniúcháireachta agus cuntasaíochta ar fáil, ní foláir dóibh a dhearbhu gur cuideachta chláráithe iad agus go bhfuil riachtanais a nOifige Clárúcháin Cuideachtaí á gcomhlíonadh acu.
- (iii) Deimhniú Cleachta reatha.
- (iv) Árachas Slánaíochta Gairmiúla ar íosluch €50,000.
- (v) Forbairt ghairmiúil leanúnach a bheith á comhlíonadh aige/aici de réir mar a éilíonn a c(h)omhlacht gairmiúil.

## 2.2 Is iad seo a leanas dualgais an chuntasóra/iniúcháora sheachtraigh:

- Cuntais bhliantúla scoile a ullmhú de réir an teimpléid agus an sceidil atá ordaithe ag FSSU.
- Tuarascáil airgeadais achomair a ullmhú do na tuismitheoirí.
- Cuntais bhliantúla na scoile a chur i láthair ag cruinniú an bhoird bainistíochta.
- Tuairisceán bliantúil na scoile a chur isteach trí chóras néalbhunaithe slán ar líne FSSU. Is é atá i gceist le tuairisceán bliantúil na scoile comhardú trialach na scoile a iontráil, cuntais bhliantúla faofa na scoile a uaslódáil agus an fhaisnéis a éilíonn an Rialálaí Carthanais a chomhlánú ar an gcóras ar líne.
- Coigeartuithe ar chomhardú trialach na scoile a ullmhú lena bpostáil ar phacáiste cuntas na scoile.
- Sa chás go dtagann cuntasóir/iniúcháir seachtrach ar chalaíocht nó míleithreasú i leith cistí scoile agus é/í i mbun a chuid/cuid oibre le scoil aitheanta, éilíonn an Roinn Oideachais agus an Rialálaí Carthanais nach mór don chuntasóir/iniúcháir seachtrach a leithéid a chur in iúl do FSSU láithreach.

## 3. Próiseas Luachana

- Ba cheart cloí le nósanna imeachta luachana iomaíocha chun cuntasóir/iniúcháir seachtrach a cheapadh. Is féidir an cuireadh chun luachana a eisiúint go díreach chuig cleachtais iniúcháirí/cuntasóirí a bheadh in ann an conradh a chomhlíonadh agus a bhfuil dea-stádas gairmiúil acu. [Tá an fhoirm 'Iarratas ar Luachana' ar fáil anseo.](#)
- Ní mór trí luachan ar a laghad a fháil.
- Ba cheart cuireadh caighdeánach a chur chuig na cleachtais cuntasóirí/iniúcháirí uile a dtugtar cuireadh dóibh agus ní mór faisnéis imleor a bheith ann maidir le raon feidhme agus cineál an chonartha.
- Ní mór spriocdháta a shonrú maidir le luachana a fháil.
- Ba cheart luachana a mheas de réir an phrionsabail um an luach is fearr ar airgead a fháil agus de réir na gcritéar a sonraíodh san Iarratas ar Luachana.
- Ba cheart na luachana a oscailt agus triúr ar a laghad i láthair, arna n-ainmniú ag an mbord chun na críche sin, nach mór don Phríomhoide a bheith ina dhuine díobh. D'fhéadfadh an Fochoiste Airgeadais an fheidhm sin a chomhlíonadh chomh maith.
- I gcás daoine a sheol luachan isteach ach nár éirigh leo, ba cheart aiseolas pearsanta a chur ar fáil dóibh siúd gan rómhoill.
- Tá teimpléid litreach le fáil chuige sin ar <https://www.spu.ie/notification-of-award-letters-templates/>.

#### 4. Cruinniú a eagrú leis an gcuntasóir/iniúcháir nua

- Eagraigh cruinniú foirmeálta le comhpháirtí/bainisteoir an chleachtais cuntasáíochta a roghnaíodh, chun na seirbhísí cuntasáíochta atá ag teastáil a leagan amach mar atá luaite thuas, agus chun iad sin a phlé go mionsonraithe.
- Fiafraigh de/di an bhfuil taithí aige/aici ar na riachtanais tuairiscithe do scoileanna faoin Acht Oideachais 1998, ciorcláin na Roinne Oideachais agus Scileanna, treoirlínte FSSU, an tAcht Carthanais agus reachtaíocht eile de chuid an rialtais.
- Tá sé tábhachtach leanúnachas foirne a bheith sa chleachtas cuntasáíochta agus an obair á déanamh, agus ba cheart iarraidh orthu go ndéanfaí ball foirne sinsearach amháin ar a laghad a shannadh don tasc i gcónaí.
- Fiafraigh faoi sheirbhísí tacaíochta eile a d'fhéadfaidís a thairiscint don scoil.
- Deimhnigh go bhfuil tuiscint shoiléir agat ar a struchtúr táillí.

#### 5. Cuntasóir/iniúcháir seachtrach - Litir Rannpháirtíochta

Chomh luath is a bheidh cuntasóir/iniúcháir seachtrach roghnaithe ag an mbord bainistíochta, ba cheart don bhord Litir Rannpháirtíochta a chomhaontú agus a shíniú. Soláthróidh an cuntasóir/iniúcháir seachtrach an litir sin agus ba cheart go gclúdófaí freagrachtaí an bhoird bainistíochta agus an chuntasóra/iniúcháir sheachtraigh inti.

Conradh is ea an doiciméad úd idir an bord agus an cleachtas cuntasáíochta, ina sonraítear, i measc nithe eile, freagrachtaí an bhoird, freagrachtaí an chleachtais agus an bonn ar a ngearrfar na táillí. Ba cheart an doiciméad seo a athbhreithniú go cúramach agus aon leasuithe a mbeidh gá leo a chur in iúl don chuntasóir/iniúcháir seachtrach láithreach.

Ba cheart an méid a leanas a bheith san áireamh sa Litir Rannpháirtíochta:

- Raon feidhme agus sonraí an chonartha mar atá leagtha amach sa phróiseas luachana.
- Aon iarratais bhreise arna gcomhaontú ag do chruinniú leis an gcuntasóir/iniúcháir seachtrach, lena n-áirítear:
  - go n-eagróidh an cuntasóir/iniúcháir seachtrach cruinniú leis an bPríomhoide/Fochoiste Airgeadais chun athbhreithniú a dhéanamh ar na cuntais deiridh agus chun na saincheisteanna ar tarraingíodh a n-aird orthu agus iad i mbun a gcuid oibre a phlé. Le linn an athbhreithnithe sin, tá sé tábhachtach go dtuigfeadh an Príomhoide/comhaltaí an Fhochoiste Airgeadais na cuntais go hiomlán agus go bhfaighidís soiléiriú ar aon fhiigiúirí nach dtuigeann siad.
  - Ullmhóidh an cuntasóir/iniúcháir seachtrach tuarascáil ina dtarraingeofar aird ar laigí i rialuithe inmheánacha agus córais cuntasáíochta na scoile agus déanfaidh siad moltaí ina leith.

- Freastalóidh an cuntasóir/iniúchóir seachtrach ar chruinniú an bhoird agus cuirfidh sé/sí cuntais bhliantúla na scoile i láthair ann.

Ba cheart cóip den Litir Rannpháirtíochta shínithe a chomhdú sa scoil.

*Is féidir tuilleadh eolais nó soiléiriú a fháil ar aon cheann de na saincheisteanna sa treoirlíne seo ach dul i dteagmháil le FSSU.*

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An 15 Meitheamh 2020