**Audit of School Funds**

**(to be read in conjunction with the School Fund Regulations document)**

1. The Audit should be carried out as soon as possible after the end of the school fund accounting year. The auditor should be provided with a set of accounts by the treasurer, or other person who has arranged for the accounts to be prepared. The accounts must not be compiled by the auditor.
2. All books, vouchers, receipts, bank statements, any minutes (or other records of proceedings) and instructions/guidance notes in respect of schools funds, should be made available to the auditor.
3. The auditor should follow these procedures:-
   1. Read any minutes etc noting all major sources of actual or potential income and any expenditure authorised
   2. For income:
      1. Examine the income of the fund, relating this to the minutes e.g. if there is a note of a fund raising event, check that there is income recorded for that event. It may be advisable to check other records/accounts relating to e.g. PTA, so that it is clear which fund is to benefit from a particular event.
      2. Check that the amount of income seems reasonable, by reference to minutes, the amount spent on the event and the results of similar events.
      3. Check each item of income (with large or complex fund, test check a sample of entries), with receipts issued and follow income via cash book book/receipts to the bank statements. The auditor should check with the school as to whether there are any other accounts held. It is good practice for the auditor to write to the bank or building society to obtain independent verification of all accounts in the name of the fund.
   3. Expenditure
      1. All expenditure over £1 should be supported by a voucher
      2. Check that expenditure is reasonable and authorised (refer to minutes for large or unusual amounts). Follow each item via the cash book through to the bank statements and if possible returned cheques. Cheque stubs/counterfoils are no not acceptable as proof of expenditure.
   4. **Check all balances**

* Check that the balances brought forward from the previous year’s accounts agreed with the balances recorded in the previous year’s balance sheet.
* Verify the arithmetic accuracy of the individual accounts, and final accounts.
* Check that balances held in bank and building society accounts to the amounts recorded in the balance sheet.
* Check cash balances in hand.
* Check levels of stocks and other assets.
  1. Confirm that holding accounts[[1]](#footnote-1) (if applicable) have been closed and balances transferred to the revenue account/accumulated fund unless there is a good reason for carrying balances forward (e.g. a school trip which has not yet taken place.)

1. It is the auditor’s duty to draw the attention of the fund treasurer to instances where appropriate procedures have not been followed.  
     
   The accounts should not be certified until the auditor has resolved all queries.  
     
   If necessary the auditor should make a note on the audit certificate (Appendix B) of any significant unresolved matters. Further guidance may be obtained from the LA.
2. If unsatisfactory explanations are received from the fund treasurer the queries should be directed to the Headteacher. The auditor may wish to discuss the position with the Chair of Governors and/or the LA.
3. At the end of the audit, the auditor should receive from the fund treasurer an original set of financial accounts, amended to reflect any points/errors/corrections which result from the audit. The auditor should sign and date each page of the accounts. He/she should also complete a standard audit certificate (see Appendix B). Any auditor who feels that he/she cannot sign the standard audit certificate, should explain why in writing to Headteacher. The Headteacher should complete the Headteacher’s certificate as attached and the auditor needs to ensure their name and profession are included.

The audited accounts should be presented to the Full Governing Body in the Autumn Term. At this meeting it is also a good idea for the Governing Body to appoint the auditor for the following year.

SCHOOL FUND

HEADTEACHER’S CERTIFICATE

|  |  |
| --- | --- |
| **SCHOOL NAME** | **NO.** |
|  |  |

## I certify that with regard to the school fund operated in this school during the year ending:

|  |  |  |
| --- | --- | --- |
| DD | MM | YYYY |
|  |  |  |

## (i) Proper accounts have been kept in a permanent form, and in accordance with the LEA’s Finance Manual

## (ii) All funds have been audited and certified by the auditor

## (iii) The auditor is known to me

## (iv) His/her name, address and profession are shown below

|  |  |
| --- | --- |
| NAME |  |
| ADDRESS |  |
| PROFESSION |  |

## (v) Where bank accounts are operated, withdrawals are effected on two signatories

## (vi) I have seen the year end bank statements and am of the opinion that the balances shown are as I would expect

## (vii) The following bank accounts have been used to hold monies relating to these funds; there are no other accounts operated for the use of school fund monies.

|  |  |  |
| --- | --- | --- |
| **BANK/BUILDING SOCIETY** | **ACCOUNT NUMBER** | **ACCOUNT NAME** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

### Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signed \_\_\_­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Headteacher

AUDIT CERTIFICATE

I have examined all of the accounts comprising the school fund together with all the relevant supporting documents and have obtained all the necessary information and explanations relating to that Fund.

I certify that the Final Accounts (Summary Revenue Account and Balance Sheet) present an accurate picture of the activities and transactions undertaken on behalf of the fund.

Auditors Signature Date

Name (CAPITALS)

Status

(eg parent/accountant)

1. An example of a holding account is where a school trip spans more than one school fund academic year e.g. income is collected in year 1 but expenditure will be spent in year 2. [↑](#footnote-ref-1)