

# Unofficial School Fund Policy

"For all have sinned and fall short of the glory of God,"

**Romans 3:23**



## **'Feeding Hearts and Minds'**

The peace, joy and love of Christ is at the heart of all that we do in our school. Through religious education, school policy and, primarily, our culture of prayerfulness, charity and joy, we seek to share the Gospel with our families, our parish, our community and the wider world.

Using the example of Jesus Christ, we cultivate the skills of heart and mind that allow us to develop our talents and take a shared responsibility for ourselves, each other and the world He gave us. We profess our faith proudly and recognise that we are called to a loving relationship with God through the sacraments, scripture and prayer.

Our school is animated by love and our shared faith and clear values drive our behaviour and our relationships; we are tolerant and respectful of the unique value of each person. Our individual needs and talents are recognised and nurtured in a warm, inclusive environment where we are able to use our gifts for the glory of God and in loving service of others.

We have excellent role models who empower us to believe in ourselves and provide us with an outstanding education and a wide range of opportunities – our aspirations for the future are high and we believe that through God's grace we can grow, learn and realise our full potential.

## **What are unofficial / voluntary funds?**

Voluntary funds are any funds from non-public sources that exist for the purposes of a school and are established under the authority of the school governors. They are sometimes known as school private funds. They might include income from parents or pupils, and donations from parents or members of the public. Most schools have such funds.

## **Why do voluntary funds need to be audited?**

Voluntary funds operate alongside public funds and there is a need for audit on both sides to guard against any misuse of public funds. Most voluntary funds will be set up on a charitable basis and charity law also requires them to be audited in an appropriate way.

Local authority schemes for financing schools should include a provision requiring maintained schools to provide audit certificates to the local authority in respect of voluntary and private funds held by schools.

## **Good practice**

All schools should ensure their funds are adequately audited.

Voluntary funds should be audited annually and the audit should be completed within 3 months of the end of each financial year. All funds should be audited by an independent person who is not associated with the fund in any other way.

Funds should be audited by a qualified accountant who will provide a certificate in accordance with published professional standards. However, very small funds could be audited by a suitable individual familiar with the principles of accountancy rather than necessarily a qualified accountant.

For maintained schools, there may be relevant provisions concerning the audit in the local authority's scheme for financing schools.

## **What an audit should cover**

The purpose of an audit is to provide independent assurance to governors that:

- the fund concerned is being correctly operated in accordance with the fund objectives
- the financial statements produced by the fund manager are correctly stated

In order to do this the auditor will test that:

- all income has been correctly accounted for
- the monetary balances reconcile
- the stated monetary balances do in fact exist
- expenditure is reasonable and in accordance with the fund objectives
- funds have not been used as a vehicle for personal transactions
- guidelines for record keeping have been followed

## **Making accounts available**

Under Charity Commission guidelines the accounts of a school's voluntary funds should be made available on demand to interested parties, for example staff or parents. Many schools appear not to be aware of this. Also, the school should make the accounts and audit available to the governing body.

## **What to do if your voluntary funds are not being adequately audited?**

Schools should appoint an appropriate auditor as soon as possible. A local accountant should be suitable, provided they are not otherwise associated with the fund.

If accounts for past years have not been audited, they should be audited along with the most recent accounts and then an appropriate annual cycle of audit should be established at the end of the financial year.

Maintained schools will need to take account of any relevant provisions in the local authority's scheme for financing schools.

### **Local authority requirements relating to Unofficial School Funds**

As unofficial funds are not part of the County Council's funds, the Authority has no direct responsibility for their management and use. However, the Headteacher is responsible to the school governors for any unofficial funds and the use to which they are put.

The County Council's financial regulations require the Executive Director for Children and Young People to ensure that all unofficial funds held by a member of staff acting by virtue of their office of employment are properly administered, accounted for and audited.

The County Council does not seek to prescribe a detailed book-keeping system for unofficial funds, the format of which will need to be determined by the size and nature of the funds.

All accounts should be subject to audit and a copy of the final accounts, together with the auditor's certificate should be submitted annually to the School Governors and to the Authority.

The Headteacher is responsible for submitting annually to the authority that financial regulations and procedures are in place for any unofficial schools funds operated / held by the school and that these funds have been audited and signed by a suitably qualified person, who is independent of the funds.

The headteacher must retain a copy of the unofficial school fund accounts in school for authority audit purposes, which will be requested, as required.



## Unofficial School Fund Policy

September 2020

The Unofficial School Fund Policy is based on best practice advice from Lancashire County Council.

The implementation of this policy will be monitored by Kelly Hannah in consultation with Louise Forsyth.

This policy will be reviewed as appropriate by the Resources committee on behalf of The Governing Body.

Intended Policy Review Date – September 2021

Approved by: \_\_\_\_\_ (Headteacher)

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ (Governor)

Date: \_\_\_\_\_