

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 30 JANUARY 2013**

REPORT BY: **DIRECTOR OF LIFELONG LEARNING**

SUBJECT: **SCHOOL FUND REGULATIONS**

1.00 PURPOSE OF REPORT

1.01 To outline to the Audit Committee the action which has been taken by the Lifelong Learning Directorate in response to an Internal Audit report entitled Schools Funds (Report Ref: LL0120R1).

2.00 BACKGROUND

2.01 Each school in Flintshire operates a school (private) fund for the purpose of fundraising and purchasing additional items and activities for pupils. The funds are also utilised as holding accounts for activities such as school trips. There is a requirement for the funds to be independently audited and certificates of audit submitted annually to the Director of Lifelong Learning.

2.02 School Private Funds are ultimately the responsibility of the school Governing Body, however operational responsibility will usually be delegated to the Headteacher.

2.03 Although School Private Funds don't contain public money, stakeholders such as parents are entitled to the same standards of financial accountability as they are with public funds. Therefore schools must have their Private Funds audited or independently examined on an annual basis. An annual audit ensures that there are safe and efficient systems in place for the custody and control of Private Funds.

2.04 The total held in school (private) funds at the end of the financial year 2010/11 was in the region of £3 million based on the figures submitted by schools via the independent audit certificates.

2.05 Following a well publicised fraud on a school fund in a Flintshire primary school the Internal Audit section undertook an audit of school funds. The audit made a number of recommendations which include updating the regulations issued to schools on the management of their private school funds.

2.06 In response to this recommendation we have produced revised regulations for management of school funds with the aim to provide schools with comprehensive guidance to follow. The regulations were

taken to School Budget Forum in November for discussion and we have received positive feedback from Headteachers and governors. The final version of the regulations is going to the School Budget Forum on 30 January for endorsement after which it will be issued to all schools.

- 2.07 In addition, at the request of the Secondary Headteachers we are compiling a list of appropriately qualified staff employed within the County Council who would be interested in carrying out school fund audits. (Fees for the completion of this work would need to be negotiated between the individual and the school). Our intention is to provide training for those individuals on the list to ensure that they have the knowledge and skill to competently carry out an audit of a school fund.

3.00 CONSIDERATIONS

- 3.01 Effective implementation of the School Fund Regulations will address the recommendations made in the Internal Audit report.

4.00 RECOMMENDATIONS

- 4.01 To note the action taken to address the recommendations made by Internal Audit to improve the control of school funds.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The management and control of schools funds will be improved ensuring that funds are used for appropriate purposes and with a reduced risk of fraud.

6.00 ANTI POVERTY IMPACT

- 6.01 School funds can be utilised to support and extend pupil activities for all pupils.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None

8.00 EQUALITIES IMPACT

- 8.01 There are no identifiable equalities impacts.

9.00 PERSONNEL IMPLICATIONS

- 9.01 The guidance aims to ensure that there are clear procedures in place within schools and if followed will ensure that school funds are afforded the same level of stewardship as all public funds. By applying a high level of control this will offer a degree of protection to

staff responsible for aspects of school funds.

10.00 CONSULTATION REQUIRED

10.01 Flintshire Governors Association

11.00 CONSULTATION UNDERTAKEN

11.01 Primary and Secondary Heads Federations. Secondary School Business Managers' Group, School Budget Forum.

12.00 APPENDICES

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

**Contact Officer: Lucy Morris
Telephone: Ext 4016
Email: lucy.morris@flintshire.gov.uk**