## **FMS Health Check**

## **Schools Finance Support Team**

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## As we approach the year end it is important to check that the schools systems are reflecting accurate balances. This will help to prepare for a smoother year end closure. Contact your Business Analyst if you require assistance.

## The following provides guidance on the key accounts on the Summary Trial Balance to focus on as well as other internal control processes.

## **Summary Trial Balance**

**Assets** - should equal zero

**Creditor Control** – check Unreconciled Items for anything over 6 months old. Code should be zero unless genuine balances remain. Only current year end creditors should be carried forward, as at March 31.

**Debtor Control Account** – check the Aged Debtor Report to verify balances on the account, and seek further clarification if there are any amounts over 30 days. Code should currently be zero unless genuine balances remain.

**All Revenue and Capital costs and Income** must be recorded against CFR codes (Income against income codes only and Expenditure against expenditure codes only). All income should be banked and recorded.

**Fund Control Account -** should equal zero.

**Retained Earnings / Fund accounts** - should equal previous year’s closing balance.

**Liabilities** - should equal zero. Short Term Loans should be repaid by 31 March.

**Petty Cash Account** - should be a debit of an amount within the Imprest level.

**VAT Accounts** – VAT Input + VAT Output should equal the balance of VAT owed to the school (per reconciled payments received against claims made).

Please check **Capital**. If you are going to be overspent on your capital, you will need to carry out a direct revenue transfer for the difference i.e. transfer revenue to capital (Debit E30 and Credit CI04).

**Bank reconciliations** should be up to date. Any unreconciled items which are more than six months old will need to be cancelled on your system. If a payment is not going to be re-issued remember to cancel the invoice as well or it will reappear on your next payment run. Please make sure you have **enough cash** in your bank account to honour any commitments you may have up to the year end.

Please make sure you are up to date with submitting the following documents to the Schools Finance Team:

* + Trial Balance by CFR/Ledger Code
  + Income & Expenditure Reports
  + Bank Reconciliation
  + Bank Statements
  + Unreconciled listings
  + Signed VAT Submittals
  + VAT Full Report (MTD)
  + Signed VAT Declarations by Voluntary Aided schools

**Audit:**

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| **Internal Control Evaluation** – To be completed annually |
| **Cash flow Statement** – should be updated monthly |
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| **Financial Improvement Plans** – audit recommendations have been fully implemented |
| **Audit of School Fund Account** – to be submitted to school Finance annually by 30 Sep |
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| Up to date Bank Mandate |
| Up to Date Contracts |
| Approved Budget |