

The Consultative Committee of Accountancy Bodies-Ireland

Chartered Accountants Ireland
The Association of Chartered Certified Accountants
The Chartered Institute of Management Accountants
The Institute of Certified Public Accountants in Ireland

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Minister Joe McHugh
Department of Education and Skills
Marlborough Street
Dublin 1
D01 RC96

24 May 2019

Dear Minister McHugh

Reporting to the Financial Support Services Unit (FSSU) by Primary, Community and Comprehensive Schools

I am writing to you on behalf of, the Consultative Committee of Accountancy Bodies - Ireland (CCAB-I) consisting of Chartered Accountants Ireland, ACCA, CPA Ireland and CIMA and representing the majority of professional/qualified accountants in the country.

A significant part of our role in representing our members and the profession includes engagement with government departments and regulatory bodies on matters involving professional accountants. In this context, we have engaged for some time with the FSSU as regards financial reporting by the primary school sector. We are writing to you now concerning the booklet issued in 2018 by the FSSU entitled "**Preparation of Accounts for Primary Schools**" which envisages a significant role for professional accountants in the implementation of this reporting process. We understand that the intention of the FSSU is to roll this out to Community and Comprehensive schools in due course.

We have serious concerns with regard to the FSSU reporting requirements in the abovementioned booklet, as we do not believe that they enable the boards of management of primary schools to comply with their legal requirements to have an audit carried out under section 18 of the Education Act 1998 (the Act). Section 18 in our view does not provide for an appropriate accounting framework which in turn means that the pre-conditions for an audit do not exist. Under the auditing standards in Ireland there must be an acceptable accounting framework in place for an audit to be carried out. We are equally concerned by the proposed role for our members in audit and accountancy practices in advising the relevant primary schools.

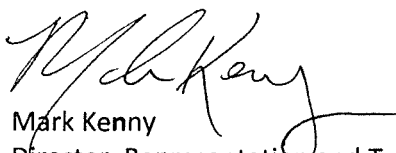
We have also written to the Louise McNamara, Director of the FSSU, to explain our concerns (letter enclosed) and to inform her that we will be advising our members against completing an accountant's report as currently required. We consider that the reports sought by the FSSU should be deferred until the necessary amendments to the Act are implemented. We have also requested further engagement with the FSSU on this matter.

We would, therefore, request that the Department:

- Affords priority as a matter of urgency to necessary amendments to the Act to ensure that it is fit for purpose for the reporting requirements of the Department/the FSSU, following appropriate consultation with relevant stakeholders; and
- Facilitates engagement between the appropriate Department officials, the FSSU and the profession as soon as possible with regard to reporting in 2019.

We consider that it would be in the public interest and in the interests of the Department, the FSSU, the boards of management of the schools and our members, that an appropriate solution is found to enable boards of management to comply with their legal requirements and our members to advise them appropriately. To that end, we are available and would be pleased to meet with Department officials and the FSSU to discuss this matter further at your earliest convenience. I would be happy to discuss this matter further and may be contacted at mark.kenny@charteredaccountants.ie or on 01-6377344.

Yours sincerely



Mark Kenny
Director, Representation and Technical Policy, Chartered Accountants Ireland

For CCAB-I

cc Seán Ó Foghlú, Secretary General of the Department of Education and Skills

Enclosed: Letter to Louise McNamara, Director of the FSSU, of 24 May 2019