

## 2.9 Statement of School/LA Accounts

### Introduction

Under Section 2.2 of the Scheme for Financing Schools, the LA provides a monthly Statement of School / LA Accounts. It sets out the official accounting position for your school's delegated budget showing the income & expenditure to date against the latest approved budget.

The Statement of School / LA Accounts is specific to a defined period (month) and is published to the Finance and Funding [Barnet Online – School Funding](#) website as per the 'Timetable for School Financial Returns and Statement of School / LA Accounts' which is sent to schools at the start of each financial year and is also available from the Finance & Funding website.

There is a distinction between the accounts held locally by schools and the formal accounts held by the LA. The former are known as the primary accounts, as they are compiled from the source or 'primary' documents e.g. invoices, cheque payments etc. Further, the schools local accounts may be maintained at a greater level of detail than the formal accounts held by the LA, and contain information on committed expenditure (orders raised but not yet paid for). The local accounts are used to inform budget holders, SMT and Governors of the financial position of the school to enable their decision making.

In contrast, the formal accounts held by the LA will be at a higher level, in that all income and expenditure will be summarised against the national CFR Framework headings. The school's delegated budget and all transactions to it form part of the Council's official accounts - which are formally reported to members, government departments and the public and which are also subject to external audit verification. Therefore it is essential that schools scrutinise the Statement of School / LA Accounts to check that:

- All school generated transactions (i.e. those contained on the Posting Summary ) have been correctly posted on the LA's official accounts for the school's delegated budget, and
- To identify any transactions incorrectly posted to the delegated budget – in which event the school must notify the LA so that the item can be corrected.

This is achieved by comparing the Statement of School / LA Accounts to a report from the local accounts to the same point in time and making a note of any differences in recorded income and expenditure. Whilst the LA does not wish to impose the manner in which this is done, a recommended format for doing so is shown at **Appendix 1**.

An extract of a Statement of School / LA Accounts is shown at **Appendix 2**. A description of the contents is as follows.

## Content of Statement

### Header Information:

- Controlling Area – B001 signifying the school operates a delegated budget which is consolidated into the accounts of Barnet Council
- Profit Centre – the first 5 digit number is the unique Profit Centre which represents your schools delegated budget. The second 4 digit number is your school's DfE reference
- Person Responsible - gives the name of your school
- Reporting Period – displays the period (accounting month) and financial year

### Columns:

- Area: displays the specific area of income or expenditure using the national CFR Framework heading
- Budget: shows the latest approved budget
- Bal. b/fwd: shows the accumulated income or expenditure brought forward from the previous period (month)
- This Period: displays the income and expenditure posted to your delegated budget in the period in question
- Bal. c/fwd: gives the total income or expenditure to be carried forward to the next period (or year)
- % Spent: shows the percentage of the budget which has been spent / received to the end of the period in question
- Bud. Avail. short for Budget Available and shows the income budget which is still to be received or the expenditure budget which is available to spend

### Rows:

- There is a row for each CFR Income/Expenditure heading plus additional rows showing category totals (e.g. Employees) and totals for revenue and capital.

Almost all transactions posted to the delegated budget on the Statement will have originated from the school i.e. information on payments & receipts to / from local bank account and information on year-end accruals. The exceptions will be: -

- For schools using the Council's Payroll Service under Banking & Funding Options A and C, transactions that relate to salary payments to members of staff. These payments are paid out of the Council's main bank account but charged to the delegated budget. The LA's Payroll Department provides reports detailing the composition of these amounts
- For Schools on Banking and Funding Option A, the proportion of your budget share that is paid to your delegated budget but where the actual cash is held back in the Council's main bank account to pay for salaries
- For schools that have chosen to join the LA's Pooling Scheme, reimbursement of costs arising from Long Term Sickness and Maternity Leave Claims made in the spring term. Summer and Autumn term claims are reimbursed via BACS to the schools local bank account.

- Processing errors by the LA where income or expenditure has been posted to your delegated budget by mistake

The Statement of School / LA Accounts is supplemented by a 'Transactions List' report. This provides a list of income and expenditure transactions posted to your school's Delegated Budget in the period in question and gives some additional information as to its source / origin. An illustrated example is shown at **Appendix 3** and its content is as follows: -

#### **Transaction List Report - Content:**

- Ref.Doc – a reference number generated automatically by the SAP System for each posting to your delegated budget. This can be quoted when reporting queries to LBB Payroll or the Schools Accountancy Section
- Account – SAP uses 'GL' accounts to record the type of income and expenditure being received or spent (e.g. Water, Exam Fees etc.) A copy of the School GL Coding Structure in SAP is shown at **Appendix 4** for information. Non-staffing areas have a single GL code which feed into each CFR Heading. For each staffing category there are 3 or more specific GL codes used by LBB Payroll to denote specific elements of pay, but these automatically feed into the relevant CFR Heading on the Statement of School / LA Accounts
- Acc.Text - gives a short description of the subjective area of income or expenditure denoted by the GL Account
- In PCLC – shows the amount of income / expenditure posted to the GL Account in the period in question. Income amounts posted signified by a minus '-' sign
- User Name – displays the name of the individual at the LA who has posted the transaction to your delegated budget
- Text – Where a posting to your delegated budget has been processed by the Schools Accountancy Section, this field will be used to inform you as to the reason e.g. June Posting Summary / Coding Correction / adjustment to Budget Share
- Profit Centre – the unique 6 digit number which identifies your school's delegated budget.