

“I have audited the above / attached financial statements in accordance with approved auditing standards and the requirements noted in the Derbyshire County Council Scheme for Financing Schools. In my opinion from a comprehensive / sample check of the records and documentation presented and explanations received, the receipts and payments statement and the balance sheet present a true and fair view of the fund’s accounts and comply with the fund’s objectives.”

Where the Auditor cannot provide an unqualified certificate the reasons for any limitations must be reported and their effect on the Auditor’s opinion.

- d. A short written report should be presented to the Governors outlining all the areas audited and detailing any points to be considered in depth. Adverse audit comment should be reported separately to the Governors but should any theft fraud, misuse of money or other irregularity be suspected the Council’s Assistant Director of Finance (Audit) should be notified immediately.

4. VALUE ADDED TAX

4.1 Liability for VAT

- a. Any fund with a taxable turnover which exceeds the figure reported in the budget approved by government must [register individually for VAT with H.M. Revenue and Customs](#). Failure to do so will result in surcharges being made.
- b. Details of what constitutes a taxable supply can be obtained from the VAT manual and the Derbyshire County Council VAT Officer (Ext 38085).

4.2 Criteria for VAT Recovery

- a. The goods must become the property of Derbyshire County Council. Any other criteria will nullify recovery of VAT. Thus if the School wish to retain control or if the goods are purchased for resale or distribution to pupils, staff, parents or any other body, the scheme will not apply.
- b. The invoice must be paid by Derbyshire County Council. It is not possible to attempt recovery of the VAT if a third party has already paid the invoice.
- c. Deviation from the above conditions may be interpreted as tax evasion.
- d. In addition the Authority imposes two further conditions:-
 - i. Donations of any items of equipment will not bind the County Council to guarantee maintain, repair or replace those items.
 - ii. To be eligible for inclusion in this scheme expenditure must exceed £20 (gross).

4.3 Procedure for ordering goods.

In order to recover VAT on Voluntary Unofficial Fund purchases the following procedures must be strictly adhered to:

- i. All monies used to make the purchase are paid into the schools delegated budget **before** the invoice is passed for payment to ensure

