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Schools financial value standard (SFVS)

Standard assessment form

March 2018

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# Introduction

The schools financial value standard (SFVS) is a mandatory requirement for local authority (LA) maintained schools. The SFVS has been designed with schools to help them in managing their finances and to give assurance that they have secure financial management in place.

Governing bodies of maintained schools or management committees of pupil referral units (PRUs) have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors or management committees. Other schools are welcome to use any of the material associated with the standard, if they would find it useful.

## What do schools need to do?

The standard consists of 25 questions which governing bodies or management committees should formally discuss annually with the headteacher and senior staff.

The questions which form the standard are in sections A to D. Each question requires an answer of Yes, In Part, or No.

* If the answer is Yes, the comments column can be used to indicate the main evidence on which the governing body based its answer.
* If the answer is No or In Part, the column should contain a very brief summary of the position and proposed remedial action.

In Section E, governors or management committees should summarise remedial actions and the timetable for reporting back. Governors or management committees should ensure that each action has a specified deadline and an agreed owner. Governors or management committees must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

The governing body or the management committee may delegate the consideration of the questions to a finance or other relevant committee, but a detailed report should be provided to the full governing body or the management committee and the chair of governors or the chair of the management committee must sign the completed form.

The school must send a copy of the signed standard to their local authority’s finance department.

There is no prescription of the level of evidence that the governing body or management committee should require. The important thing is that governors and the management committee are confident about their responses.

## The role of local authorities

Local authorities will use schools’ SFVS returns to inform their programme of financial assessment and audit. The SFVS will not be externally assessed. Local authority and other auditors will have access to the standard, and when they conduct an audit can check whether the self-assessment is in line with their own judgement. Auditors should make the governing body, the management committee and the local authority aware of any major discrepancies in judgements. Auditors should also ensure that all actions have been addressed before a SFVS review takes place for another year.

## Timetable

The Directed Revisions 2012 to the [Schemes for Financing Schools](https://www.gov.uk/government/publications/schemes-for-financing-schools) make it a mandatory requirement for all local authority maintained schools to complete the SFVS assessment form on an annual basis and submit a signed copy (by the Chair of Governors or management committee) to their authority.

| Support notesSupport notes are available for each question, which governing bodies can use if they wish. The notes provide clarification of the questions, examples of good practice and information on further support to assist schools in addressing specific issues. |
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# The assessment form

**School name:**

**Local authority and school DfE numbers:**

|  |  |  |
| --- | --- | --- |
| **List of questions** | **Answer****(yes/in part/no)** | **Comments, evidence and proposed actions** |
| A: The governing body and school staff |
| 1. In the view of the governing body itself and of senior staff, does the governing body have adequate financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? |  | The Chair of the Management Committee is a serving Head Teacher. Other members of the Committee are serving Head Teachers or senior leaders with financial involvement in their own schools(KCC Internal Audit team’s letter of February 2017, following their site visit, confirmed this). This year the MC has been strengthened by the addition of 2 further Headteachers  |
| 2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair? |  | The MC member responsible for monitoring finance had a career in banking. He has taken a similar role on several other governing bodies and was a member of the Kent schools funding forum for 5 years. (Terms of Reference; KCC Internal Audit letter)  |
| 3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field? |  | The responsibilities of the Management Committee are outlined in our Finance Policy which is regularly reviewed to take account of any changes or adaptations within the service. (Finance policy) |
| 4. Does the governing body receive clear and concise monitoring reports of the school’s budget position at least three times a year? |  | Regular reports are provided to the Management Committee at scheduled meetings as well as to the Management Committee member monitoring finance, normally monthly. (Monitoring reports from Finance Officer and Head Teacher reports to the Management Committee)  |
| 5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest? |  | Business Interest Forms are completed annually for staff within the school and also for the members of the Management Committee. Business Interests are a standing item on every meeting agenda of the Management Committee. (Business Interest forms / minutes and agendas of all committee meetings)  |
| 6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, e.g. on sick leave? |  | The school has two on-site finance staff who are supported through a service level agreement by the local authority Schools Finance Services. (SLA). The second staff member, who has a background in banking, is currently undergoing training for the school finance manager / officer role.  |
| 7. Does the school review its staffing structure regularly? |  | A thorough review was conducted in 2017, leading to significant changes, now implemented (Management Committee meeting Minutes). Further changes occurred in Summer 2018 in connection with premises moves, and a county-wide review of PRU staffing levels will shortly occur |
| 8. Have your pay decisions been reached in accordance with a pay policy reflecting clear performance criteria? |  | The 3-person Pay Committee met in September 2018 and carefully reviewed all recommendations of the Headteacher. Additional guidance with respect to future pay and performance criteria was issued (Pay Committee and Management Committee Minutes) |
| 9. Has the use of professional independent advice informed part of the pay decision process in relation to the headteacher? |  | A LA-recommended advisor was employed in September 2018 to advise the HT performance committee on a pay award and on following year performance criteria (Management Committee Minutes) |
| B: Setting the budget |
| 10. Is there a clear and demonstrable link between the school’s budgeting and its plan for raising standards and attainment? |  | The budget was revised significantly for 2017-18 as part of the re-structuring, the purpose of which is to improve outcomes for students in the area considered in need of special provision such as is provided by NWKAPS (Management Committee minutes). The move to new premises led to further revision, in the 2018-19 budget, designed to allocate resources correctly, notably staff allocation across sites. An Ofsted monitoring visit in Term 2 2018-19 noted significant progress in raising standards and attainment. (Ofsted letter dated Nov 20, 2018) |
| 11. Does the school make a forward projection of budget, including both revenue and capital funds, for at least three years, using the best available information? |  | A three-year plan is in place each year and includes projected income and capital funds.  |
| 12. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)? |  | In connection with a move to temporary new premises, a small deficit budget was set for 2018-19, which will correct itself automatically once the final premises move is completed, due to a reduction in the number of sites to be occupied. |
| 13. Is end year outturn in line with budget projections, or if not, is the governing body alerted to significant variations in a timely manner, and do they result from explicitly planned changes or from genuinely unforeseeable circumstances? |  | Small variations in income and expenditure are inevitable in the service’s current configuration, including but not only in-year income from feeder schools. The MC is kept abreast of any such variations, which are anyway not material to the overall budget (Management committee Minutes) |
| C: Value for money |
| 14. Does the school benchmark its income and expenditure annually against that of similar schools and investigate further where any category appears to be out of line? |  | The latest available financial data for similar schools in Kent is obtained by the Finance Officer and reviewed in detail with the Management Committee member responsible for monitoring the finances |
| 15. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money? |  | There are clear procedures in place as reflected in the Finance Policy for purchasing goods which comply with legal requirements and secure value for money (Finance Policy/purchasing procedures).  |
| 16. Are balances at a reasonable level and does the school have a clear plan for using the money it plans to hold in balances at the end of each year? |  | The cash balance, currently above the BCM with the approval of KCC, is intended for supporting the move to new/re-furbished premises now being undertaken in conjunction with various departments of KCC. A significant portion has already been spent. |
| 17. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement? |  | Refurbishment of existing premises was undertaken in Summer 2018. |
| 18. Does the school consider collaboration with others, e.g. on sharing staff or joint purchasing, where that would improve value for money? |  | Staff from local schools have been employed on occasions for specific and limited purposes, ensuring particularly good value for the service provided |
| 19. Can the school give examples of where it has improved the use of resources during the past year? |  | The move to new premises allowed the service to renew various contracts e.g. photocopiers, on much-improved terms. Undertaking work to permit the imminent hand-over back to KCC of various premises will result in significant reduction on non-staff expenses going forward |
| D: Protecting public money |
| 20. Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body? |  | There are two outstanding items from the last audit visit/report. A Business Continuity Plan needs to be produced. Also, the Asset Register needs to be updated following the move to new premises and the closure of redundant centres. (Compliance report).  |
| 21. Are there adequate arrangements in place to guard against fraud and theft by staff, contractors and suppliers (please note any instance of fraud or theft detected in the last 12 months)? |  | All centres ask that visitors sign in and are accompanied by our own site staff. Careful pre-employment checks are performed on all new staff, including following up references and DBS checks. Wherever possible, a separation of duties exists in financial systems, so that one member of staff does not process and validate the same transaction. Financial management checks are performed on a regular basis. Access to the financial software is restricted to authorised personnel only, and all unused cheques are kept securely in a safe.  |
| 22. Are all staff aware of the school’s whistleblowing arrangements and to whom they should report concerns? |  | All staff have access to NWKAPS’s Whistleblowing Policy, and this is also referred to in the Staff Handbook which every member of staff has a copy of. (Whistleblowing Policy).  |
| 23. Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the annual Consistent Financial Reporting return? |  | The school uses SIMS FMS accounting software. This is used to accurately record income and expenditure, to provide accurate and reliable management information, and contains adequate internal control measures to ensure the protection of assets and the provision of reliable information. Amongst other things, this software is used to produce information, such as annual and profiled budgets, actual spend to date, comparisons of actual and expected expenditure, and end-of-year projections. The Consistent Financial Reporting Framework is used to prepare financial statements, which are supplied to Kent County Council in accordance with their requirements and timetables. (Budget monitoring reports and KCC returns).  |
| 24. Does the school have adequate arrangements for audit of voluntary funds? |  | Not applicable, school does not have a voluntary fund. |
| 25. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance? |  | The service does not have a Business Continuity Plan in place. The Asset Register needs to be updated following the move to new premises and the closure of redundant centres. Adequate insurance cover is in place, arranged through KCC’s Safehands Insurance Scheme. School data is backed-up off site on a daily basis. This is managed by EiS. |

# Outcome of self-assessment

## E: Summary of agreed remedial action and timetable for reporting back

* Completion of Business Continuity Plan.
* Completion of Service Asset Register

Signature: Chair of Governors / Management Committee

Print full name of signatory:

Print date SFVS agreed by full governing body/management committee: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date SFVS submitted to LA for review:

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