

## SCHOOLS FINANCIAL VALUE STANDARD (SFVS)

### What is the SFVS?

Schools manage many billions of pounds of public money each year. Effective financial management ensures this money is spent wisely and properly, and allows schools to optimise their resources to provide high-quality teaching and learning and so raise standards and attainment for all their pupils. The SFVS replaces the Financial Management Standard in Schools (FMSiS) and has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place.

### Who is the SFVS for?

The standard is a requirement for local authority maintained schools. Other schools are welcome to use any of the material associated with the standard, if they would find it useful. **Governing bodies** have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors.

### What do schools need to do?

- The standard consists of 23 questions which governing bodies should formally discuss annually with the head teacher 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 should summarise remedial actions and the timetable for reporting back. Governors should ensure that each action has a specified deadline and an agreed owner.
- The governing body 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 and the chair of governors 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 should require. The important thing is that governors are confident about their responses.**

### What is the role of local authorities (LAs)?

Unlike FMSiS, the SFVS will not be externally assessed. LAs should use schools' SFVS returns to inform their programme of financial assessment and audit. LA 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 and the LA aware of any major discrepancies in judgements.

### Timetable – key dates

- Maintained schools which had not attained FMSiS by the end of March 2010 must complete and submit the SFVS to their local authority by 31 March 2012; and conduct an annual review thereafter.
- For all other maintained schools, the first run through is required by 31 March 2013; and an annual review thereafter.

The DfE website includes support notes 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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School name:

LA and school DfE numbers:

<p align="center"><b>LIST OF QUESTIONS</b> <b>Immediate actions</b></p>	<p align="center"><b>ANSWER</b> <b>(Yes/In Part/No)</b></p>	<p align="center"><b>COMMENTS, EVIDENCE AND PROPOSED ACTIONS</b></p>
<p><b>A: The Governing Body and School Staff</b></p>		
<p>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?</p> <p>Discussion for 15/11: Should governors, SLT and staff complete competency matrix and skills audit?</p>	<p align="center"><b>Yes</b></p>	<p>Finance committee meetings are held every term when the current budget position is discussed and recommendations made by the committee. The committee is made up by governors who are interested in the financial well being of the school and are in a position to understand the consequences of budget decisions. Skills of the finance committee are identified and reviewed each year.</p> <p>Minutes of last meeting. Draw up action plan for training needs based on outcome of competency matrix and skills audit. Maintain training and development log for completed activities.</p>
<p>2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?</p> <p>Cover under Agenda Item 3: Terms of Reference</p>	<p align="center"><b>Yes</b></p>	<p>Terms of reference agreed at 1<sup>st</sup> meeting of new academic year along with election of committee chair and vice</p>

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<p>Add details of current chair's experience / skills</p>		<p>chair. Minutes of meeting.</p>
<p>3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?</p> <p>Discuss Statement of Roles and Responsibilities for Financial Management (attached)</p>	<p><b>Yes</b></p>	<p>Roles and responsibilities of school finance staff and governors are discussed and updated yearly and defined in the Statement of Roles and Responsibilities for Financial Management. Statement of Roles and Responsibilities for Financial Management</p>
<p>4. Does the governing body receive clear and concise monitoring reports of the school's budget position at least three times a year?</p> <p>Cover under Agenda Item 6: Period 6 Monitoring Report</p>	<p><b>Yes</b></p>	<p>The governing body receive clear and concise monitoring reports every term. Copy of monitoring report. Copy of minutes.</p>
<p>5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?</p>	<p><b>Yes</b></p>	<p>Registers of business interests of both staff with financial responsibilities and governors are checked yearly. Minutes of all governors meetings show declaration of business interests at beginning of meetings. Minutes of last meeting. Registers of business interests</p>
<p>6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, eg on sick leave?</p> <p>Discuss need to secure additional staffing resource within Finance (covered under Agenda Item 9: Support Staff structure changes).</p>	<p><b>No</b></p>	<p>The school is currently reliant on the Bursar to carry out day-to-day financial duties and manage school accounts. Recruit Finance Assistant. Produce cover / contingency</p>

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		<p>procedures for staff absence and use to inform training and development plan.</p>
<p>7. Does the school review its staffing structure regularly?</p> <p>Cover under Agenda Item 9: Support Staff structure changes</p>		<p>A full review of teaching staff was completed in 2011. Support staff arrangement have been reviewed within individual functions over the last 18 months and changes made as appropriate (e.g. Site Team, Business Manager, Teaching Assistants, Student Support Officers, Exams Officer / Data Manager, ICT support).                  Structure charts                  Teaching staff restructure report.                  FGB minutes.</p>
<p><b>B: Setting the Budget</b></p>		
<p>8. Is there a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment?</p>	<p><b>In Part</b></p>	<p>The School Improvement Plan sets out the school's priorities for the year ahead and the budget is set to reflect this.                  Report setting out the resources allocated for School Improvement Plan</p>
<p>9. 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?</p> <p>Cover under Agenda Item 7: Revised Budget Proposals                  Comment on the impact of uncertainty around future funding levels on accurate and detailed 3 year budget projections.</p>	<p><b>Yes</b></p>	<p>A three year budget is set each year                  Three year budget plan</p>

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<p>10. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?</p> <p>Cover under Agenda Item 7: Revised Budget Proposals</p>	<p><b>Yes</b></p>	<p>A well informed budget is set using the skills and experience of finance staff together with all available forecasts and information</p> <p>Three year budget plan</p>
<p>11. 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?</p> <p>Cover under Agenda Item 6: Period 6 monitoring Report</p>	<p><b>Yes</b></p>	<p>Governing body, through the finance committee is kept informed of the current budget status on a termly basis along with information regarding planned changes.</p> <p>Monitoring report</p>
<p><b>C: Value for Money</b></p>		
<p>12. 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?</p> <p>Cover at meeting Feb 2013. Discussion prior to meeting to determine which areas to be benchmarked.</p>	<p><b>Yes</b></p>	<p>Benchmarking is carried out each year and the governors have the opportunity to investigate where discrepancies occur.</p> <p>Benchmarking report</p>
<p>13. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?</p> <p>Cover under Agenda Item 12: School Policies</p>	<p><b>Yes</b></p>	<p>Procedures regarding purchasing of goods and services are regularly reviewed and updated. Key aspects of the policy are included in the staff handbook.</p> <p>Finance policy Procurement policy and procedures Handbook section</p>
<p>14. 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?</p>	<p><b>Yes</b></p>	<p>Balances are kept to a reasonable level bearing in mind the future plans for the school.</p>

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<p>15. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?</p> <p><i>Asset Management Plan to be reviewed by School &amp; Communities Committee</i></p>	<p><b>Yes</b></p>	<p><i>End of year report.</i></p> <p>The site team maintain an Asset Management Plan along with a cyclical maintenance regime which is reviewed regularly.</p> <p><i>Asset Management Plan. Minutes of Schools and Communities Committee.</i></p>
<p>16. Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money?</p>	<p><b>Yes</b></p>	<p>Discussions have been held where appropriate with neighbouring schools, e.g. with feeder primaries re sharing of staffing resources, other secondary schools regarding joint purchasing of specialist maintenance equipment.</p> <p><i>Records of discussions with cluster schools.</i></p>
<p>17. Can the school give examples of where it has improved the use of resources during the past year?</p>	<p><b>Yes</b></p>	<p>Staffing arrangements have been rationalised to provide a more efficient structure. Energy usage has been improved through the installation of thermostatic radiator valves, heating controls and voltage optimising equipment. Competitive tendering has been introduced into a number of areas previously reserved for preferred contractors / City of York Council operatives, providing</p>

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		better value for money. Printing / copying arrangements are being increasingly rationalised to reduce running costs.
<b>D: Protecting Public Money</b>		
<p>18. Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body?</p> <p>Cover under Agenda Item 10: Audit Report</p>	<b>Yes</b>	<p>Progress on outstanding actions, including those arising from audit reports, is reported to the Finance &amp; Staffing Committee.</p> <p>Minutes of meeting. Audit report and action plan</p>
<p>19. 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)?</p>	<b>Yes</b>	<p>Control measures include strict procedures for all aspects of handling finances and password protection of finance system. Pecuniary interests are registered for all staff and governors.</p> <p>There has been a minor theft of coin money taken during a break in to the school in September (valued at less than £30).</p> <p>Improve segregation of duties through appointment of proposed additional Finance Assistant; revise procedures to reflect new post.</p>
<p>20. Are all staff aware of the school's whistleblowing policy and to whom they should report concerns?</p>	<b>In Part</b>	<p>The school has a whistleblowing policy which includes details of who to contact.</p>

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		Whistleblowing policy. Ensure covered as part of staff induction and reminders issued to existing staff.
21. Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the annual Consistent Financial Reporting return?	<b>Yes</b>	The school operates the RM finance system in accordance with LA requirements and produces annual CFR returns.
22. Does the school have adequate arrangements for audit of voluntary funds?  Cover under Agenda Item 11: School Fund	<b>Yes</b>	The school fund is audited annually by an independent auditor. Independent audit of school fund
23. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	<b>In Part</b>	An inventory of assets is held in a fire and flood proof safe and as an online file. ICT data is backed up regularly to servers in a different location. The school has an Emergency Response Procedure but lacks a detailed disaster recovery plan. Inventory Emergency Response Procedure Disaster recovery plan, including ICT back up procedures, needed.

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**OUTCOME OF SELF-ASSESSMENT**

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

**[signed]  
Date:**

**Chair of Governors**