

# **Schools financial value standard (SFVS)**

**Standard assessment form**

**March 2015**

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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 managing 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 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 LA'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

LAs will use schools' SFVS returns to inform their programme of financial assessment and audit. The SFVS will not be externally assessed. 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, the management committee and the LA 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](#) makes 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 notes

[Support 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.



## The assessment form

School name:

LA and school DfE numbers:

List of questions	Answer (yes/in part/no)	Comments, evidence and proposed actions
<b>A: The governing body and school staff</b>		
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?	<b>YES</b>	In conjunction with the School Business Manager, the School believes it has the skills and experience to manage a budget and forecast future financial implications for the school.
2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?	<b>YES</b>	Chair has 7 years experience; membership of Finance Committee is reviewed annually in September FGB meeting, and Terms of Reference are reviewed annually
3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?	<b>YES</b>	Set out in the Budget Management Policy, and terms of reference. There

		is a clear reference to the amount that can be spent by the HT without referral to the Governing Body
4. Does the governing body receive clear and concise monitoring reports of the school's budget position at least three times a year?	<b>YES</b>	The Finance Committee receives clear and accurate financial information before each meeting – with in-year projection, and changes from last budget / explanations of departures from planned budget
5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?	<b>YES</b>	The Business Interest Register is updated annually. There is also an item relating to Business Interests on the agenda of all Governing Body and Committee Meetings.
6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, eg on sick leave?	<b>YES</b>	The school subscribes to the Bursar service who can provide cover in case of sickness of our SBM
7. Does the school review its staffing structure regularly?	<b>YES</b>	After a formal review last year, this is now an annual agenda item

8. Have your pay decisions been reached in accordance with a pay policy reflecting clear performance criteria?	<b>YES</b>	Pay decisions are made according to the Pay Policy, and in line with staff performance appraisals
9. Has the use of professional independent advice informed part of the pay decision process in relation to the headteacher?	<b>YES</b>	The HT Performance Appraisal was carried out with Mike Smit and the North Star Teaching Alliance
<b>B: Setting the budget</b>		
10. Is there a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment?	<b>YES</b>	Within the scope of a very stretched budget, we have endeavoured to ensure that there is enough money to fund CPD where sensible. We have also prioritised teaching over resources and building maintenance.
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?	<b>YES</b>	3 year budget projections are made by the SBM using the best available information (past expenditure data, pupil numbers obtained from local playgroups and local private nursery)

12. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?	<b>YES</b>	A balanced budget is set each year, and any in year changes that may lead to a deficit are addressed by the Resources Committee and changes made.
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?	<b>YES</b>	The SBM provides a monthly budget report, with variances. Changes to the initial budget are a mix of unforeseeable circumstances (equipment breakdown for example) or deliberate changes (eg funding a TA to support a child with behaviour problems)
<b>C: Value for money</b>		
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?	<b>YES</b>	North Yorkshire Benchmarking data is considered annually using schools of similar size & type. Variations from the 'norm' are highlighted and provide a platform for discussion.
15. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?	<b>YES</b>	Goods are ordered in accordance with NYCC Terms & Conditions and LMS Procedure Rules. The Procurement

		<p>Service is consulted in relation to major purchases and contract renewals.</p> <p>Major service contracts are reviewed as part of a rolling programme to ensure the school achieves Best Value.</p>
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?	<b>YES</b>	Balances have remained within NYCC limits.
17. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?	<b>YES</b>	<p>The premises are reviewed by the Landlord Unit and appropriate actions taken.</p> <p>The school buys into the MASS scheme, although this is under review</p>
18. Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money?	<b>YES</b>	The school is now part of the Easingwold Cluster Partnership and the North Star Teaching Alliance which

		provides opportunities for joint training, and sharing best practice
19. Can the school give examples of where it has improved the use of resources during the past year?	<b>YES</b>	Joint cluster training, energy survey, contracts review, caretaking time evaluation. SBM employment and membership of the North Star Teaching Alliance (which enables us to get training and share knowledge at little cost)
<b>D: Protecting public money</b>		
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?	<b>YES</b>	The latest Audit Report has been checked and there are no outstanding issues.  The school continues to complete a Statement of Internal Control each year and acts on any identified weaknesses.

<p>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)?</p>	<p><b>YES</b></p>	<p>The LMS Procedure Rules are followed at all times. Whenever possible there is a separation of duties.</p> <p>Smartwater is used to mark the school's assets as a safeguard against theft and valuable items of equipment are not visible through ground floor windows when the school is unoccupied.</p> <p>Parents are encouraged to use Parent Pay for lunches and all school business to minimise the amount of cash held at school, as well as making tracking easier</p>
<p>22. Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?</p>	<p><b>YES</b></p>	<p>Staff are made aware of the Policy within the Staff Handbook and by a poster in the staff room.</p>
<p>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?</p>	<p><b>YES</b></p>	<p>Software used for these purposes is approved by Veritau.</p>

24. Does the school have adequate arrangements for audit of voluntary funds?	<b>YES</b>	The School Fund is audited annually and the audit is subject to approval by the GB at a FGB meeting
25. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	<b>YES</b>	<p>The school follows the guidance provided within the The School Emergency Response Guide 2011 which includes information on how the school should deal with a situation relating to business continuity or disaster recovery.</p> <p>The school maintains an Asset Register for all equipment worth £100 or more, or items of a portable and attractive nature with a lower value. All items taken out of school (e.g. laptops) are signed for in a separate register.</p> <p>Insurance has been secured from the LA (<i>or give details of an alternate provider</i>).</p>

## **Outcome of self-assessment**

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

- 1: Continue to review expenditure and keep within budget
- 2: Continue to prioritise teaching standards within a tight budget
- 3: Review membership of MASS scheme to ensure it is delivering value for money

Signature: Martin Wiltshire -Chair of Governors / Management Committee

Print full name of signatory: Mr Martin Wiltshire

Print date SFVS agreed by full governing body/management committee: March 2016

Date SFVS submitted to LA for review: March 31<sup>st</sup> 2016

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Reference: EFA-00133-2015



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