



Education & Skills
Funding Agency

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](#) 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 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: London Fields Primary School

Local authority and school DfE numbers: 2042388

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?	Yes	Governing body members have had finance training. OC also attends FC meetings and has extensive finance knowledge as Head of Schools Finance in Hackney. Both challenge and a good level of support are key components of the committee in place. This is reflected in all meetings. Minutes are taken/published on the school website to indicate this.
2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?	Yes	Finance Committee is in operation (Finance and Resources Committee) Terms of Reference published on the school website. Head of Schools Finance OC is part of the Governing

		<p>Body and attends the committee meetings. TK operates as Chair (since April 2014 – Re-elected in April 2018)</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>Yes</p>	<p>There is a clear list of delegated responsibilities. It is published on the school website.</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>Yes</p>	<p>Governors receive clear and concise monitoring/budget reports twice per term. Reports are produced for each Finance and Resources committee meeting with actuals/projections and forecasts included. The Chair regularly checks the school bank account/audit of invoices/costs with finance officer/AHT – evidence in file for each visit. In addition to this, both NA/CT meet at least once per half term to discuss finances.</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>Yes</p>	<p>A Register of Pecuniary/Business interests was last completed with staff/teachers in November 2017 – a file exists to determine this.</p> <p>A register of Governors' interests for 16-17/17-18 has been completed and</p>

		<p>is published/readily available on the school website. At each FCM – members are asked to declare any interest which forms part of the agenda.</p>
<p>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?</p>	<p>Yes</p>	<p>In the event of long term/other absence to NA – The school can draw on support and advice from OC who is also a Governor at the school. Equally the school could seek advice/support from the Finance Team at HLT or the schools appointed business analyst. London Fields continues to buy into a support package from Schools Finance. The school also has links with SP</p>
<p>7. Does the school review its staffing structure regularly?</p>	<p>Yes</p>	<p>Staffing structure is reviewed on an annual basis and during the year as required. Monthly forecasts will reflect on budgets if staffing changes which intern will mean that forecasts are adjusted accordingly. Any variances are reported at each Finance Committee meeting.</p>
<p>8. Have your pay decisions been reached in accordance with a pay policy reflecting</p>	<p>Yes</p>	<p>All pay decisions are reviewed in line</p>

clear performance criteria?		with HLT's Pay Policy and the performance management (appraisal) cycle.
9. Has the use of professional independent advice informed part of the pay decision process in relation to the headteacher?	Yes	Governing Body use the NAHT's performance management trainer to advise them on head's performance management.
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?	Yes	There is a School Development Plan. Budgets are linked closely to the staffing needs and action plans which are focused on raising standards and attainment.
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?	Yes	Projections are continually made throughout the year and shared with governors/FCM. Staffing exercise costs are also provided in advance – usually in the form of scenarios in order to better inform discussions and projections. The school continues to work on clearing its surplus with a series of capital build/renovation projects already completed or due for completion. HCSS software and advice

		received from HLT is also used to inform future projections.
12. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?	Yes	The school sets a well-informed and balanced budget each year and uses latest software such as HCSS/SIMS/FMS to support with projections. Any deficit or surplus is managed with an agreed & timed plan.
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?	Yes	Monitoring/budget & variance reports are presented at FCM meetings and governors challenge and question any changes or variances accordingly. Another surplus (9.5% Approx.) at year end is forecasted with all information clearly presented to Governors at each meeting.
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?	Yes	Last benchmarking exercise was presented to Governors at the FCM on 28 th Jan 2019 (made clear in the minutes) The school presented comparable data (Benchmarking Report Card DFE) on income and expenditure from 17-18. The data was

		<p>analysed and the findings discussed. The school will continue to benchmark its income/expenditure in order to ensure everything is on track. Again the information will be made available to school governors with any inappropriate levels looked at/investigated. In addition to the above the school completed a cost analysis on catering/school meals (presented to Governors on the 29th January 2018) which includes information of what other local schools are charging for dinner money.</p>
<p>15. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?</p>	<p>Yes</p>	<p>The school, as requested by external audit has devised (based on HLT procedures for purchasing & services) a manual for all staff to adhere to – entitled <u>London Fields Financial Procedures Manual</u>. The manual, ratified by Governors is readily available and published on the school website. Senior staff have also confirmed that the manual has been read/understood. The School Business Manager's Forum also acts as a useful resource for obtaining current</p>

		<p>information. NA regularly attends these. The school maintains a folder for quotes and obtains them at the agreed thresholds. Quotes are also shared with governors accordingly.</p>
<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?</p>	<p>Yes</p>	<p>Current projections (latest forecast shared with governors on 28.01.19) states that the school at year end will have a surplus operating at approximately 9.5% (The school will devise a plan to account for balances above 8% as indicated in our finance/procedures manual – under 6.12.2) A Surplus Spending plan will be shared with governors accordingly/ready for 19-20 (May 19) The school is also aware that impending changes to schools funding in the near future may have a negative impact on funding generally and understands even more the necessity to exercise caution when spending and to maximise value for money at every opportunity.</p>
<p>17. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?</p>	<p>Yes</p>	<p>The school maintains its premises (H&S report also indicates this) and</p>

		<p>other assets to a good standard and understands its statutory obligations. The school makes good use of Parago (IT asset management software) and assets are regularly updated by HLT IT. The school works closely with IT to ensure that it is fully updated and reflects the reality of the schools actual assets/IT infrastructure. The Chair of Governors (TK) completed the last annual inspection of IT assets on 19.04.18 – documentation provided and presented to FCM on 14.05.18.</p>
<p>18. Does the school consider collaboration with others, e.g. on sharing staff or joint purchasing, where that would improve value for money?</p>	<p>Yes</p>	<p>School Councillor supports another school (SP) NA continues to work with SP building up links with finance. SB works closely with SP on SEN. CT/HF also works closely with SP. The school also shares the cost of CPD/INSET with Shoreditch Park on occasions.</p>
<p>19. Can the school give examples of where it has improved the use of resources during the past year?</p>	<p>Yes</p>	<p>Years 5 and 6 are split into 3 classes per cohort (20 chn per class) The school has also used surplus funds well to improve the school building/Foundation Stage setting and areas in need of refurbishment on the</p>

		<p>AMP. A Children's kitchen has also been installed and is used regularly. The majority of the classrooms have had bespoke teaching walls/storage installed (last phase due for completion over Christmas break)</p>
<p>D: Protecting public money</p>		
<p>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?</p>	<p>Yes</p>	<p>Since the audit – various updates have been provided to - <u>Internal audit and anti-fraud division</u>. The school previously received no high priority areas in need of completion.</p>
<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>Yes</p>	<p>No fraud has occurred this academic year to date. Arrangements are in place to mitigate against the risk of fraud. This includes segregation of duties/rigorous checks of payments made/counter signing/secure online banking details. In addition to this checks are also completed monthly on the bank statement/cross referenced with specific invoices/payments made and includes a look at staff expenses/claims. This is completed by</p>

		the Chair of Governors, TK.
22. Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?	Yes	The school's whistleblowing policy is readily available/published on the school website. Staff are made aware of its existence. Contact names to whom concerns should be reported is included within the document.
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?	Yes	Sims/FMS/HCSS
24. Does the school have adequate arrangements for audit of voluntary funds?	N/A	The School does not have a separate School fund account.
25. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	Yes	The school has an up-to-date asset register and adequate insurance in place. All computers are backed up on a regular basis and maintained by HLT IT. Disaster recovery plan has been updated/exists. Staff have been made aware of the document and is published on the school website/internal school network.

Outcome of self-assessment

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

- 1) Spring term (Point 5) NA to ensure all staff complete form - Pecuniary/Business interests.



Signature: ~~__ Chair of Governors / Management Committee~~

Print full name of signatory: THOMAS KISSUN

Print date SFVS agreed by full governing body/management committee: 11/03/19

Date SFVS submitted to LA for review: _____



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