**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 SVFS 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.

**School name: Grand Avenue Primary & Nursery School**

**LA and school DfE numbers: 314/2033**

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| **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** | **Recent audit of Governing Body skills suggest either extensive or moderate expertise in all areas of financial management.**  **Very experienced Bursar** |
| 2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair? | **In Part** | **Finance committee established with clear TORs, meets regularly and carries out all the tasks suggested. Chair new, but has attended training course to improve knowledge.** |
| 3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field? | **Yes** | **Yes in document delegation of GB Financial powers reviewed annually** |
| 4. Does the governing body receive clear and concise monitoring reports of the school’s budget position at least three times a year? | **Yes** | **A full report goes to the FGB once a year and the R & F committee each term. Explanations of variances often verbal only. Written summary sheet with explanations would be useful to accompany the detailed figures** |
| 5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest? | **Yes** | **Written declaration given at the first FGB meeting of each academic year, then verbal confirmation of no change at every subsequent FGB meeting**. |
| 6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, eg on sick leave? | **In Part** | **Bursar currently only works 3 days per week. New Office Manager will be able to cover absences in due course** |
| 7. Does the school review its staffing structure regularly? | **Yes** | **The SLT regularly review staffing structures. This is followed up at FGB meetings once a term. Staffing is a regular agenda item on the Resource and Finance Committee**. **The staffing structure of the school can be found on the website, although a more detailed document including roles and responsibilities is not yet available** |
| **B: Setting the Budget** | | |
| 8. Is there a clear and demonstrable link between the school’s budgeting and its plan for raising standards and attainment? | **Yes** | **Both reviewed regularly, but set independently, often because of differing timetables. However, SDP priorities are included in budget, ie CPD, 1-1 tuition.** |
| 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? | **In Part** | **Governors feel this is difficult to achieve, particularly with revenue funds, as budget allocation unpredictable year on year. The school does have a vision for the future and long term- capital projects are planned and budgeted for, eg playground improvements. However, some areas (eg IT, routine maintenance) could be predicted and committee should make efforts to ensure known factors are planned for.** |
| 10. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)? | **Yes** | **MLT and above involved in budget setting through identifying school priorities.** |
| 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? | **Yes** | **Budget reviewed regularly and variations highlighted and explained** |
| **C: Value for Money** | | |
| 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? | **Yes** | **Benchmarking is carried out and significant variations from the norm are investigated. However, Governors feel that there is often a good reason why the difference exists and benchmarking should not be used as a tool to cut costs purely to achieve the norm at the expense of educational standards.** |
| 13. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money? | **Yes** | **Follow procedures as directed by LA. System in place to ensure larger value items get more scrutiny than small ones. New office manager role will help provide more independence between those deciding on specific purchases and those making payments** |
| 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? | **Yes** | **Any balance is within statutory limits and always allocated for specific projects** |
| 15. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement? | **Yes** | **Two new buildings in 4 years. Regular meetings with LA to solve snagging list. Mandatory checks completed and reported on termly.** |
| 16. Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money? | **In Part** | **School undertakes various educational projects with others in the Surbiton cluster. Services shared on a reciprocal or nominal cost basis at present*.***  **More scope for shared purchasing of non-teaching services, eg cleaning, grounds maintenance** |
| 17. Can the school give examples of where it has improved the use of resources during the past year? | **Yes** | **Numerous extra-curricular clubs provided, often by school staff using existing facilities, at no cost to pupils. Office Manager appointed recently, whose role includes the promotion of lettings of the school hall to improve school’s income stream from lettings.** |
| **D: Protecting Public Money** | | |
| 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? | **Yes** | **School accounts run through a central system at RBK. Audit completed 2006 (another due) and FMSiS status achieved in 2010.** |
| 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)? | **Yes** | **Protocols in place, ensuring no one person can complete a transaction on their own. Very little cash held on site. No fraud noted in last 12 months. Formal written policy to be created to formalise the processes already in place.** |
| 20. Are all staff aware of the school’s whistleblowing policy and to whom they should report concerns? | **Yes** | **Policy reviewed regularly and includes all relevant info. Policy highlighted at staff training days.** |
| 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? | **Yes** | **SIMS FMS used, borough wide system. This produces CFR which is reviewed annually by Governors** |
| 22. Does the school have adequate arrangements for audit of voluntary funds? | **Yes** | **No requirement for formal audit as fund not big enough. Accounts scrutinised at AGM and report presented to Governors** |
| 23. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance? | **In part** | **Asset register to be updated. Insurance provided through borough. IT backed up regularly. Recovery plan is part of the Critical Incident Management policy. Reciprocal arrangement with nearby schools to use their facilities if Grand Avenue unavailable in short term.** |

**OUTCOME OF SELF-ASSESSMENT**

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

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| **Action** | **Owner** | **Deadline** |
| 1. Produce a document detailing roles and responsibilities of school staff for inclusion on school website | SLT | 19 Jul 13 |
| 2. Ensure financial impact of long-term projects reflected in budget planning | R+F Committee | 24 May 13 |
| 3. Review opportunities for sharing provision of non-teaching services with other local schools | Office Manager | 19 Jul 13 |
| 4. Publish a fraud policy | Bursar | 24 May 13 |
| 5. Update asset register | Office Manager | 19 Jul 13 |

**[signed] Chair of Governors**

**Date:**