

# 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.

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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 .....





DFE number .....

LIST OF QUESTIONS	ANSWER (Yes/In Part/No)	COMMENTS, EVIDENCE AND PROPOSED ACTIONS	ACCESS TO SUPPORT NOTES
<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?		X members including the Chair of Governors have completed a 'Financial skills matrix' which shows that the Governing Body consists of suitably qualified and experienced members. These are stored (insert where)	 Q1 Support Note
2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?		The Governing Body has a Finance Committee or (equivalent insert). The Terms of Reference and delegated duties can be found in the latest edition of the Schools Finance Policy which was adopted and ratified on dd/mm/20xx at the (insert name of meeting) meeting	 Q2 Support Note
3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?		The school has up-to-date documents which clearly specify the roles and responsibilities for the financial affairs of the school – including the Governing Body, Head Teacher & Finance staff.	 Q3 Support Note





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		These are available (insert where e.g. Staffing folder in Heads Office) and are 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?		The Governing Body regularly review the monitoring reports that show income and expenditure against the agreed budget. They identify variances and show reasons for the variances. The latest one was reviewed dd/mm/20xx at the (insert name of meeting)	 Q4 Support Note
5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?		'Declaration of Interests' is a set agenda item at every Governing Body meeting. All Governors and staff have completed a ROBI form. A 'Register of Business interests' checklist is kept (insert where) and there is an annual review for all staff	 Q5 Support Note
6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, eg on sick leave?		X staff with financial responsibilities have completed a Financial Skills Matrix. This shows that the financial staff are well qualified. These are stored (insert where). If key Financial staff are absent this is covered by (insert detail)	 Q6 Support Note
7. Does the school review its staffing structure regularly?		The staffing structure was last reviewed at the (insert name of meeting) meeting on dd/mm/20xx. There is a clear and comprehensive staffing structure document which	 Q7 Support Note





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		identifies the roles and responsibilities attached to posts. This can be viewed (insert where document is kept)	
<b>B: Setting the Budget</b>			
8. Is there a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment?		The Schools Development Plan includes the financial implications for implementing the pupils' educational priorities which are reflected in the budget. The SDP was approved by Governors dd/mm/20xx at the (insert committee meeting)	 Q8 Support Note
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?		The budget projections take account of changes in pupil numbers, funding and staffing requirements using the most up to date data available. The latest budget was approved dd/mm/20xx	 Q9 Support Note
10. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?		The school sets a well informed and balanced budget. The predicted year end balance is £xxx on the Budget Plan dated dd/mm/20xx	 Q10 Support Note
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?		The Governing Body receive regular reports which show the year end projection and any significant variances are reported and investigated in a timely manner. The latest report was reviewed at the (insert which committee meeting) committee meeting dd/mm/20xx. The year end	 Q11 Support Note





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		balance was £xx,xxx	
<b>C: Value for Money</b>			
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?		The school has benchmarked against similar schools in the following areas (insert details) and any major differences were investigated. The findings were discussed at the Governing Body meeting dd/mm/20xx.	 Q12 Support Note
13. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?		The school follows the recommendations set out in the purchasing procedures of the LA and in The Scheme for Financing Schools and Finance Policy for tendering and achieving best value for money. A copy of the 'Scheme for Financing schools' is available (insert where stored)	 Q13 Support Note
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?		The school has returned a 'Utilisation of Balances' form to the LA approved by the Governing Body on dd/mm/20xx to show how they intend to manage their balances. These are also included in the budget projections	 Q14 Support Note
15. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?		The School has an Asset Management Plan which is reviewed annually. The maintenance programme includes servicing, repair and renewal of the school premises. <b>Schools who do</b>	 Q15 Support Note

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		<b>not buy into Unity must complete a Statutory Inspection and maintenance check list. (School buy Unity - Yes/No please delete)</b>	
16. Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money?		The school has considered collaboration with other schools  (Insert examples)	 Q16 Support Note
17. Can the school give examples of where it has improved the use of resources during the past year?		(Insert examples)	 Q17 Support Note
<b>D: Protecting Public Money</b>			
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?		Where applicable <b>all</b> recommendations have been addressed from previous audits including previous FMSIS reviews or have been assigned to an individual and a date for completion has been agreed (Insert date of last Audit and/or FMSiS review)	 Q18 Support Note
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)?		The school has completed the 'Financial Risk and Control Checklist' to ensure adequate controls are in place. This was signed by the Governing Body on dd/mm/20xx Has there been any instance of fraud or theft in last 12 months? - yes/no. If yes please give details	 Q19 Support Note

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<p>20. Are all staff aware of the school's whistleblowing policy and to whom they should report concerns?</p>		<p>All staff are aware of the schools Whistle Blowing policy which is available to them in (insert where this is kept e.g. School office/Staff room)</p>	 Q20 Support Note
<p>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?</p>		<p>The schools FMS system can produce reports that include annual and profiled budget, actual spend to date, comparison of actual against expected expenditure &amp; end of year projections. The LA currently use the Agresso system to report on CFR on behalf of schools (part of SLA)</p>	 Q21 Support Note
<p>22. Does the school have adequate arrangements for audit of voluntary funds?</p>		<p>The audit is carried out by a suitably qualified person (insert name of auditor) independent of the school and within 3 months of year end. The date of the last audit was dd/mm/20xx. This shows that the fund is operated in line with the funds objectives.</p>	 Q22 Support Note
<p>23. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?</p>		<p>The school has an adequate disaster recovery plan which includes:                  Provision to use alternative premises.                  An Asset register kept off site                  Contents and Premises insurance.                  Daily backing up off site of important IT systems                  Contingencies for significant simultaneous absence of staff.</p>	 Q23 Support Note

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**OUTCOME OF SELF-ASSESSMENT -**

**'Insert name of school'**

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

<b>Question</b>	<b>Action</b>	<b>Agreed Owner</b>	<b>Date action to be completed by:</b>

**[Signed]**  
**Date:**

**Chair of Governors**