

Audit Commission Report – ‘Valuable Lessons’, July 2009.

In July 2009, the Audit Commission published a report ‘Valuable Lessons’ regarding improving economy and efficiency in schools. The report was the conclusion of Audit Commission research undertaken during the autumn term of 2008, which included documentary analysis, data collection and semi-structured interviews in a sample of 23 case study schools, in seven council areas.

An action plan was produced to review the three key areas of school support where the Audit Commission believed could be strengthened:

Financial support

- availability and quality; and
- national benchmarking.

Staffing and purchasing in schools

- procurement and traded services; and
- collaboration between schools on purchasing and staffing.

Accountability for value for money

- school improvement partners (SIPs);
- internal audit; and
- governor support.

New Government

The Government has announced that frontline funding to schools will be protected, and money allocated to individual school budgets for 2010-11 will not be affected by the Government’s proposed budget reductions. However, it has also been announced that efficiency savings are expected of schools and it is therefore critical that schools continue to offer good value for money through a range of measures including procurement and workforce deployment.

Action Plan Update – June 2010

| Audit Commission recommendation | RMBC Action | Progress | When |
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| <p>Financial support</p> <p>1. Offer resource management and value for money training to schools as part of the council's financial package, targeting those with limited capacity;</p> | <p>Support schools to achieve FMSiS – that shows that a school is financially well managed.</p> | <p>Schools Finance Team and Internal Audit have supported schools preparation and performance of the FMSiS assessment. As at 25th May 2010, the only school outstanding is Maltby Redwood for which the assessment is taking place on 26/27 May.</p> <p>Schools Finance Team and CYPS continue to encourage and advocate schools' use of DCSF national CFR benchmarking data as well as local benchmarking data provided via the Council's Intranet.</p> | <p>On target to meet DCSF deadline</p> <p>Ongoing</p> |
| <p>2. Align and share knowledge between finance and service improvement teams to improve schools' experience</p> | <p>Undertake an analysis of staffing costs in each school and share findings with School Improvement Partners and National</p> | <p>Schools Finance Team produced analysis on secondary schools in July</p> | |

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| <p>of these services.</p> | <p>Challenge Advisers for school leadership dialogue and challenge.</p> <p>Encourage schools to use the Audit Commission tool to help schools cost workforce expenditure and compare this with performance.</p> <p>Engage School Improvement Partners in challenge to schools on surplus balances.</p> | <p>2009. Analysis in 2010 to cover Primary and Special Schools also.</p> <p>Online system applicable only to Secondary Schools – bugs in system. Awaiting feedback from Audit Commission on current usage in Rotherham Schools.</p> <p>Surplus Balance data shared with School Effectiveness Service. Clawback of balances applied to 7 schools for 2008/09. No schools exceeding DCSF thresholds for 2009/10.</p> | <p>July 2010</p> <p>June 2010</p> <p>Ongoing monitoring of school balances</p> |
| <p>Staffing and purchasing in schools</p> <p>3. Raise schools' awareness of high quality alternative providers of traded services, including them in any portfolio of traded services;</p> | <p>Liaise with DCSF Regional Education Procurement Centre (EPC) to identify quality assured providers of traded services in Y&H region and include on Rotherham's Portfolio of Services to schools.</p> | <p>To be implemented subject to outcome of the Pilot that is currently in operation.</p> | <p>Oct 2010</p> |
| <p>4. Identify schools spending more than others on items of procurement and support them to find savings;</p> | <p>Undertake an analysis of schools spend on standard items.</p> | <p>Schools to use RMBC benchmarking site for comparisons with other schools expenditure.</p> | <p>Ongoing</p> |

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| | Engage RBT and DCSF (EPC) to support with more complex/high value procurement items i.e.photocopier leases. | Schools to undertake in discussion with DCSF 'OPEN' reps and RBT as appropriate. | |
| 5. Ensure that schools use electronic procurement systems to minimise purchasing costs; and | Demo of DCSF 'Open' system to LA undertaken Demo of DCSF 'Open' system to schools undertaken 19/11/2009 (47 schools attended) Pilot 'OPEN' system with schools | To date 40 plus schools (DCSF yet to confirm figure) are using OPEN. Schools informed of availability of Government Procurement cards / Business cards to enable schools to purchase online from suppliers to help achieve VFM where invoicing is not possible e.g Asda, Amazon | Ongoing |
| 6. Encourage schools to collaborate on purchasing to benefit from economies of scale. | Identify if DCSF 'Open' system offers enhanced opportunities. Raise awareness of Headteachers; Business Managers in schools. Consider pooled budgets in TRL vision. | Schools made aware, via finance cluster meetings and the Schools Finance Team newsletter of the free VFM consultancy offered by Avail and the Buyways e-learning resource on schools procurement. SFT are to set up meetings with the cluster groups and Avail. SFT have a meeting arranged with a DCSF | May 2010 June 2010 June 2010 |

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| | | rep regarding further training and advice available on procurement. | |
| Accountability for value for money | | | |
| 7. Ensure that internal audit provides assurance to governing bodies and councils on questions of resource management and recommends value for money improvements as a matter of course; | Ensure that Internal Audit challenge on vfm is sufficiently robust and recommendations reported through the LA and Governing Bodies, including any highlighted areas of best practice. | <p>CYPS and Internal Audit have a risk based approach to the audit of school provision.</p> <ul style="list-style-type: none"> - Rolling programme - Headteacher changes - Identified risks i.e. budget issues. <p>CYPS and Internal Audit jointly agree the Audit Plan each year based on a review of the revenue budget book and other sources of information such as risk registers, service plans etc.</p> <p>Review meetings are held between CYPS/Internal Audit on a bi-monthly basis. Quarterly reporting to CYPS DLT commenced in April 2010.</p> | <p>HT changes notified via SES</p> <p>2010/11 Plan agreed</p> <p>April; June</p> <p>Internal Audit report</p> |
| 8. Ensure that SIPs consider resource | To review the flow of financial information to | School Balances data | Completed |

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| deployment as part of their role. Councils may need to provide further training to SIPs to support them | SIPs, ensuring it is fit for purpose under their new role definitions – summary reports. | shared with SIPs. Comparison of schools own outturn forecasts from December 2009 made with actual outturns. | Completed |
| | To raise awareness of specific budget issues through the Schools of Concern meeting (surpluses and deficits). | Resource & Business Mgr and SFT attend Schools of Concern meeting. | Ongoing |
| | To add qualitative school financial performance to existing benchmarking data. | Review of appropriate measures being undertaken i.e. attainment data; SES interventions; relevant ratio analysis. | July 2010 |
| 9. Ensure that accessible financial training is available for all governing bodies. Training should cover value for money, and the links between finance and school performance. | Governor Support Service to review training package. | Training for Governors delivered as part of SFT SLA. Training delivered to local clusters of schools upon request. Advertising of training course to be included in revised Governor Support Service Prospectus. | Termly:- Feb 2010 June 2010 Autumn Term 2010 |