

## 1. INTRODUCTION

1.1 The Financial Management Standard in Schools (FMSiS) was withdrawn by the Secretary of State with effect from 15 November 2010. Consequently, local authorities' Chief Finance Officers (section 151 officers) will not be required to give any assurance in relation to the attainment by schools of FMSiS during the financial year 2010 2011.

1.2 A new standard, provisionally named the Schools Financial Value Standard (SFVS), will be introduced in the summer 2011 term and will become operational from September 2011.

1.3 The Department for Education are currently consulting on the provisional standard. The consultation period is from 10 March 2011 to 30 April 2011. The Department for Education have requested responses to a series of questions relating to the new standard which are included at **Appendix A**. Details of the consultation are also available on the Department for Education website at the following address: [www.education.gov.uk/SFVSconsultation](http://www.education.gov.uk/SFVSconsultation)

## 2. SCHOOLS FINANCIAL VALUE STANDARD (SFVS)

2.1 The DfE are consulting on the Schools Financial Value Standard (SFVS) alongside a consultation on accountability arrangements. Schools will be expected to conduct an assessment against SFVS once a year. The first reports from schools will be due before September 2012. However, those schools which never attained FMSiS will be expected to report against SFVS before April 2012. Schools Financial Value Standard reports signed by the Chair of Governors must be sent to the local authority.

2.2 Nationally schools manage billions of pounds of public money and it is very important that this management is done well in order both to safeguard public funds, and to get the best value from them. Formal responsibility within schools lies with governing bodies, and the SFVS is in the first place aimed at school governors. It takes the form of a series of questions which school governing bodies should formally discuss with their head teacher and other senior staff. The DfE recommend that this is done annually

2.3 There is no prescription of the level of evidence or assurance that the governing body should require. The important thing is that the governing body should be in a position to feel confident about their answers. The DfE website includes advice and tools for governing bodies in relation to each question, which they can use to provide assurance (examples provided in **Appendix C**). The advice and tools provide clarification of what the question implies, examples of good practice, and access to materials which will assist action on that issue where it is necessary

2.4 The governing body may wish to delegate the consideration of the questions to a Finance Committee or similar, however the Chair of Governors must sign the completed form. There should be at least a minuted report to the full governing body.

## 3. SCHOOLS FINANCIAL VALUE STANDARD SECTIONS

3.1 There are five sections to complete in the SFVS with a series of questions to complete (25 questions in total) within each section (per **Appendix B**). The five sections cover the following:

- i) The Governing Body
- ii) The School Employees
- iii) Budget Setting
- iv) Value For Money
- v) Protecting Public Money

3.2 Each question within each section requires an answer of 'Yes', 'In Part', or 'No'. Where the answer is 'In Part' or 'No', the column for comments, evidence and proposed actions should be used to enter a very brief summary of the position and proposed remedial action. Where the answer is 'Yes', the column should be used to indicate the main evidence on which the governing body based its conclusions. There is also a section to complete which requires a summary of remedial actions and the timetable for reporting back.

## 4. ASSESSMENT OF SFVS

4.1 The standard will not be formally assessed like FMSiS. However, a copy of each signed record must be sent to the Council's finance department, where it will be used to inform the programme of financial assessment and audit.

Local authority and other auditors will have access to it, and when they conduct an audit will be able to check whether the self-assessment is in line with their own judgement. They will be required to make the governing body and the local authority aware of any discrepancies in judgement.

4.2 In the course of developing the SFVS, questions have arisen about what will happen to schools which do not carry out the assessment as required. One suggestion is that the names of schools not reporting against SFVS should be published. For 2011/2012 this would be only those schools which had failed to attain FMSiS, but from 2012/2013 it could be any school. Publication by local authorities would seem less burdensome than for the DfE to collect all the names and publish them.

## **5. CHIEF FINANCIAL OFFICER STATEMENT**

5.1 With effect from the financial year 2011 2012 the DfE intend to include SFVS in the outturn statement in regard to the Dedicated Schools Grant which is signed by Chief Finance Officers. The draft (**Appendix D**) shows what this might look like. Chief Finance Officers would be expected to say each year how many SFVS reports from schools they had received, and give an assurance that they are taking the contents of these reports into account in planning their future programme of audit. They would also be expected to give a general assurance that they have a system of audit in place which gives them adequate assurance over schools' standards of financial management and the regularity and propriety of their spending. For 2011/2012 only, they would be expected to make a supplementary statement about those schools that had never attained FMSiS.

## **6. RECOMMENDATION**

6.1 Members are asked to note the contents of this report and are encouraged to respond to the consultation either individually or by group to the Department for Education at the following email address: [financial.management@education.gsi.gov.uk](mailto:financial.management@education.gsi.gov.uk) no later than 30 April 2011.

## APPENDIX A

### CONSULTATION ON THE SCHOOLS FINANCIAL VALUE STANDARD (SFVS)

Name of respondent (in full)

Contact details (email / phone)

Name of establishment (LA/school/other?)

The questions below indicate the range of issues we are particularly interested in receiving your views on. You do not have to respond to every question and are welcome to submit a general response if you prefer.

1. Do you consider the new standard - Schools Financial Value Standard - to be an improvement on FMSiS?

#### Content

2. Does the new standard – Schools Financial Value Standard - cover the right range of topics for effective financial management and securing value for money in schools?
3. Please provide any specific comments on the range and content of the topics and questions.

#### Process

4. Do you think it is reasonable to expect schools to review the standard on an annual basis? If not, what would be appropriate?
5. Do you think the right individuals in the school are required to be involved in the standard (governing body with head and senior staff)?
6. How will local authorities use the information the standard provides to inform their programme of financial assessment and audit? How far will it support their programme?

#### Support

7. How useful is the sample draft advice that we have provided and what can we do to make it more useful?
8. What problems do you think schools might have in meeting the new standard and what support would be helpful?
9. What problems do you think local authorities might have in using the new standard as part of their financial assessment and audit programme and reporting back to the Department?
10. How well equipped are governing bodies to confidently assess their schools' financial management and efficiency? What more can we do to help governing bodies support and challenge schools on this?

Please provide any further comments on any aspect of the new standard and assurance arrangements.

**SCHOOLS FINANCIAL VALUE STANDARD (SFVS)****APPENDIX B**

|   | <b>ANSWER<br/>(Yes/In<br/>Part/No)</b> | <b>COMMENTS, EVIDENCE AND<br/>PROPOSED ACTIONS</b> |
|---|--|--|
| <p><b>LIST OF QUESTIONS</b></p> <p><b>A: The Governing Body</b></p> <p>1. In the view of the Governing Body itself and of senior staff, does the Governing Body have adequate financial competence among its members to fulfil its role of challenge and support in the field of budget management?</p> <p>2. Does the Governing Body have a Finance Committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?</p> <p>3. Is there a clear definition of the relative responsibilities of the Governing Body and of the school staff in the financial field?</p> <p>4. Does the Governing Body receive adequate monitoring reports of the school's budget position on at least a termly basis?</p> <p>5. Are business interests of Governing Body members (and senior staff) properly registered and taken into account so as to avoid conflicts of interest?</p> <p><b>B: The School Staff</b></p> <p>6. Does the staff include people who between them supply the school with an adequate level of financial competence?</p> <p>7. Does the school have adequate arrangements to cope with the absence of specialist finance staff, eg on sick leave?</p> <p>8. Does the school have policies and mechanisms for deploying the staff of the school to best effect in view of their talents and competencies and the needs of the school?</p> <p>9. Does the school review its staffing structure regularly?</p> |  |  |

**C: Setting the Budget**

- 10. Is there a clear and demonstrable link between the school's budgeting and its plan for 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?
- 12. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?
- 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 genuinely unforeseeable circumstances?

**D: Value for Money**

- 14. Does the school regularly benchmark its expenditure against that of similar schools and investigate further where any category of spend appears to be high?
- 15. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?
- 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?
- 17. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?
- 18. Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money?
- 19. Can the school give examples of where it has improved the use of resources during the past year?

**E: Protecting Public Money**

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?

21. Are there adequate arrangements in place to guard against fraud by staff, contractors and suppliers (please note any instance of fraud detected in the last 12 months)?

22. Are all staff aware of the school's whistleblowing policy and to whom they should report concerns?

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?

24. Does the school have adequate arrangements for audit of voluntary funds?

25. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?

**OUTCOME OF SELF-ASSESSMENT**

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

[signed]

**Chair of Governors**

**Date:**

# **SAMPLE GUIDANCE NOTES**

## **FINANCIAL COMPETENCIES FOR THE GOVERNING BODY WHISTLEBLOWING POLICY & SCHOOLS' FINANCIAL BENCHMARKING GUIDANCE**

**MARCH 2011**



Department for Education  
Email: [financial.management@education.gsi.gov.uk](mailto:financial.management@education.gsi.gov.uk)  
Helpline: 020 7340 7775

**Question 1. In the view of the Governing Body itself and of senior staff, does the Governing Body have adequate financial competence among its members to fulfil its role of challenge and support in the field of budget management?**

|          |   |
|----------|---|
| <b>A</b> | <b>What the question means</b>  |
| <b>1</b> | <p><b>The main financial competencies needed by the governing body.</b><br/> <i>The Governing Body is able to:</i></p> <ol style="list-style-type: none"> <li>1. <i>provide strategic leadership including:</i> <ul style="list-style-type: none"> <li>• <i>linking the development of strategic plans with available resources;</i></li> <li>• <i>identifying viable options and selecting or recommending those most likely to achieve the school's goals and objectives; and</i></li> <li>• <i>understanding the best financial management practice and moving the school towards it.</i></li> </ul> </li> <li>2. <i>ensure accountability which includes:</i> <ul style="list-style-type: none"> <li>• <i>understanding the statutory and local authority financial requirements applying to the school;</i></li> <li>• <i>undertaking appropriate budget setting and budget monitoring activities; and</i></li> <li>• <i>communicating the school's financial performance to parents and the public.</i></li> </ul> </li> <li>3. <i>act as a critical friend which includes:</i> <ul style="list-style-type: none"> <li>• <i>using analytical skills to challenge constructively</i></li> <li>• <i>asking probing questions of the school management.</i></li> </ul> </li> </ol> |
| <b>2</b> | <p><b>Why it is important for the Governing Body to have adequate financial competencies.</b><br/> <i>It is essential for the Governing Body to have access to adequate financial competencies to ensure they meet their statutory responsibilities for the financial management of the school and can safeguard the large amounts of public money for which they are responsible. Not ALL governors need all these skills, but collectively members of the Governing Body (&amp; Finance Committee or equivalent) should have these competencies among them.</i></p>   |
| <b>3</b> | <p><b>Why it is important for the Governing Body to challenge and support the Head Teacher.</b><br/> <i>The governing body has a statutory responsibility to support and challenge the head teacher (see point 4). Members of the governing body do this to ensure that:</i></p> <ul style="list-style-type: none"> <li>• <i>resources are deployed appropriately in line with the school's priorities;</i></li> <li>• <i>planned levels of financial performance are achieved;</i></li> <li>• <i>the school avoids incurring financial loss and waste; and</i></li> <li>• <i>the school receives favourable audit assessments.</i></li> </ul>  |
| <b>4</b> | <p><b>What the key financial roles of the governing body and its committees are.</b><br/> <i>The governing body is given its powers and duties as an incorporated body. The statutory responsibilities of the governing body are detailed in section 21 of the Education Act 2002.</i><br/> <i>Their key financial roles are:</i></p> <ul style="list-style-type: none"> <li>• <i>manage the school budget;</i></li> <li>• <i>decide on how to spend the delegated school budget, depending on any conditions set out in the LA Scheme;</i></li> <li>• <i>be consulted by their LA on funding;</i></li> </ul>   |



|          |  |
|----------|--|
|          | <ul style="list-style-type: none"> <li>• ensure accurate school accounts are kept;</li> <li>• determine the number and type of staff and a pay policy in accordance with the School Teachers Pay and Conditions; and</li> <li>• act as a 'critical friend' to the Head Teacher by providing advice, challenge and support.</li> </ul>  |
| <b>B</b> | <b>Good Practice</b>   |
| <b>5</b> | <p><b>The school should identify whether the governing body has the right skills.</b></p> <p><i>Schools should analyse their governing body's skills to identify any skills gaps. The governing body's skills should be reviewed whenever appropriate, for example if there are significant changes to the membership or to individual governors' roles and responsibilities. A good way for a school to assess their governing body's current skills is to use a matrix that summarises the main financial management competencies that the governing body should have. The matrix will help governors identify the skills they have and those that collectively they need to acquire.</i></p> <p><i>See section 8 for further information on how to access an example financial skills matrix. The matrix covers a set of key financial areas, and asks governors to assess whether the key areas are embedded, improving or not in place in their school. Once the school has assessed the areas, they can put in place key actions to help progress the governance in these areas.</i></p> |
| <b>6</b> | <p><b>The governing body should not only have but should be seen to have adequate financial competencies.</b></p> <p><i>Governors have a collective responsibility for important financial decisions in the school and are answerable to parents and the wider community. Therefore, they should be seen to have adequate financial competencies, and might wish to explain how they meet this requirement on their website and in reports to parents.</i></p> <p><i>A well run school must be willing and able to show how it has used its resources and be able to respond honestly to questions about its financial probity. Openness, transparency and integrity are key principles of good governance and financial management.</i></p>   |

|          |   |
|----------|---|
| <b>C</b> | <b>What do you do if things are not right in your school?</b>   |
| <b>7</b> | <p><b>What to do if your school's governing body doesn't have adequate financial competencies.</b><br/> <i>If your governing body doesn't have adequate financial competencies, you should identify which specific competencies are lacking. You should think about:</i></p> <ul style="list-style-type: none"> <li>• <i>what the governing body's collective training needs are;</i></li> <li>• <i>whether individual governors have the right skills for their particular role;</i></li> <li>• <i>who the best person is to fill each skills gap;</i></li> <li>• <i>the best way for a governor to acquire a specific competency; and</i></li> <li>• <i>how additional skills can be acquired through recruitment.</i></li> </ul> <p><i>This can then be developed into an action plan to address the current skills gaps. (See point 8 below for further information on this matter)</i></p>   |
| <b>8</b> | <p><b>Further information</b><br/> <i>Your local authority should be able to provide further information and support. In addition, these websites provide help and advice:</i></p> <p><b>1. Department for Education</b> (<a href="http://www.education.gov.uk">www.education.gov.uk</a>) – you can find information on finding, appointing, training and managing school governors at: <a href="http://www.education.gov.uk/schools/leadership/governance">http://www.education.gov.uk/schools/leadership/governance</a><br/> <a href="http://www.education.gov.uk/schools/adminandfinance/financialmanagement/b0069984/vfm/governance">http://www.education.gov.uk/schools/adminandfinance/financialmanagement/b0069984/vfm/governance</a> - here you can find financial and efficiency information relating to the governing body including a governing body health check tool and an example skills matrix.</p> <p><b>2. National Governors Association (NGA)</b> – <a href="http://www.nga.org.uk">www.nga.org.uk</a> This website provides guidance on everything relating to governors including online finance training.<br/> NGA Headquarters, Ground Floor, 36 Great Charles Street, Birmingham, B3 3JY<br/> Tel: 0121 237 3780</p> <p><b>3. School Governors One- Stop Shop (SGOSS)</b> <a href="http://www.sgoss.org.uk">www.sgoss.org.uk</a>. This website provides information on recruiting volunteers to serve on school governing bodies.<br/> Any school having difficulty recruiting governors with financial expertise can seek assistance from SGOSS. You can find further information about this via this weblink: <a href="http://www.sgoss.org.uk/schools/">www.sgoss.org.uk/schools/</a><br/> School Governors One-Stop Shop, Unit 11, Shepperton House, 83-93 Shepperton Road, N1 3DF<br/> email : <a href="mailto:info@sgoss.org.uk">info@sgoss.org.uk</a> &amp; tel: 020 7354 9805</p> <p><b>4. Direct Gov</b> <a href="http://www.direct.gov.uk">www.direct.gov.uk</a> – provides a brief outline of governors' responsibilities and information on how to become a school governor:<br/> <a href="http://www.direct.gov.uk/en/Parents/Schoolslearninganddevelopment/Gettinginvolvedwithschoolsandyourchildseducation/DG_10038366">www.direct.gov.uk/en/Parents/Schoolslearninganddevelopment/Gettinginvolvedwithschoolsandyourchildseducation/DG_10038366</a></p> |

**Question 22. Are all staff aware of the school's whistleblowing policy and to whom they should report concerns?**

|          |  |
|----------|--|
| <b>A</b> | <b>What the question means</b>   |
| <b>1</b> | <p><b>What whistle blowing is.</b><br/> <i>Whistle blowing means the confidential raising of problems or concerns within an organisation (school) or within an “independent review structure” associated with that organisation (in this case your LA). It provides protection for individuals who disclose malpractice and wrongdoing.</i></p>  |
| <b>2</b> | <p><b>Why it is important to schools.</b><br/> <i>It allows individuals to bring to notice such matters as malpractice, wrong-doing and victimisation. As this process is confidential, individuals are more likely to do it.</i></p>  |
| <b>3</b> | <p><b>What issues are covered by whistle blowing.</b><br/> <i>Malpractice and wrongdoing will include the following, but the precise coverage and terms used can vary:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Any unlawful act, whether criminal or a breach of civil law;</i></li> <li>▪ <i>Maladministration, as defined by the Local Government Ombudsman;</i></li> <li>▪ <i>Breach of any statutory Code of Practice;</i></li> <li>▪ <i>Breach of, or failure to implement or comply with Financial Regulations or Standing Orders;</i></li> <li>▪ <i>Any failure to comply with appropriate professional standards;</i></li> <li>▪ <i>Fraud, corruption or dishonesty;</i></li> <li>▪ <i>Actions which are likely to cause physical danger to any person, or to give rise to a risk of significant damage to property;</i></li> <li>▪ <i>Loss of income to the school;</i></li> <li>▪ <i>Abuse of power, or the use of the school's powers and authority for any unauthorised or ulterior purpose;</i></li> <li>▪ <i>Discrimination in employment or the provision of education; and</i></li> <li>▪ <i>Any other matter that staff consider they cannot raise by any other procedure.</i></li> </ul> |
| <b>B</b> | <b>Good Practice</b>   |
| <b>4</b> | <p>The school must have a whistle blowing policy in place.<br/> <i>All schools should have a whistle blowing policy in place and governing body minutes should record that they do. This policy should be based on the LA policy (which applies to all schools within their remit) and should be tailored as appropriate for your school.</i></p>  |
| <b>5</b> | <p>The school staff must have someone trustworthy to report their concerns to.<br/> <i>The governing body should agree one or more members of the school's staff whom staff can report concerns to; but also make known to staff one or more people at the LA their staff can report concerns to if they feel a need to go outside the school. All school staff should be made aware of this information.</i></p>  |

|          |  |
|----------|--|
| <b>C</b> | <b>What do you do if things are not right in your school?</b>  |
| <b>6</b> | <p>Making or improving your whistle blowing policy</p> <p><i>If your school does not have a current whistle blowing policy, the LA will have one which applies to all schools within their remit. You could contact them for a copy of this and/or further advice. You should think how this policy could be tailored so that it fits the specific circumstances of your school and ensure that you have appointed named member(s) of staff whom other staff can report concerns to.</i></p>   |
| <b>7</b> | <p>Making staff aware of the school's whistle blowing policy</p> <p><i>If staff are not currently aware of the whistle blowing policy, they should be informed about it and it should be made available for all to see. In particular, they should be made aware of:</i></p> <ul style="list-style-type: none"> <li>▪ <i>That the protection is available to all members of staff (including e.g. temporary staff and contractors);</i></li> <li>▪ <i>The areas of malpractice and wrongdoing that are covered; and</i></li> <li>▪ <i>The routes available within the school and your LA for raising issues.</i></li> </ul>  |
| <b>8</b> | <p><b>Further information</b></p> <p><i>Further information should initially be sought from the staff appointed by your LA to deal with whistle blowing. This will almost certainly be on a confidential basis.</i></p> <p><b><u><a href="http://www.direct.gov.uk/en/Employment/ResolvingWorkplaceDisputes/Whistleblowingintheworkplace">www.direct.gov.uk/en/Employment/ResolvingWorkplaceDisputes/Whistleblowingintheworkplace</a></u></b></p> <p><i>The <b>Directgov</b> website provides useful information on whistle blowing policy in public sectors:</i></p> <p><b><u><a href="http://www.pcaw.co.uk">www.pcaw.co.uk</a></u></b></p> <p><i>The charity <b>Public Concern at Work</b> provides support for organisations on whistle blowing and confidential independent advice to workers who have concerns about some wrongdoing in the workplace.</i></p> <p><b>To contact Public Concern at Work</b></p> <p>Write to: Suite 301<br/> 16 Baldwins Gardens<br/> London EC1N 7RJ<br/> Telephone: 020 7404 6609<br/> Email: <a href="mailto:services@pcaw.co.uk">services@pcaw.co.uk</a></p> |

**Q14. Does the school regularly benchmark its expenditure against that of similar schools and investigate further where any category of spend appears to be high?**

|          |   |
|----------|---|
| <b>A</b> | <b>What the question means</b>  |
| <b>1</b> | <p><b>What is benchmarking and why it is important</b><br/> <i>Benchmarking is a process for comparing expenditure in detail with that of similar schools to consider whether and how your school can use resources better. The purpose of benchmarking is to improve the use of resources by identifying where changes can be made. Ideally, this process should be undertaken annually, but benchmarking can also be carried out at any time when reviewing school contracts for procuring goods and services.</i></p>  |
| <b>2</b> | <p><b>The information schools use to benchmark their expenditure</b><br/> <i>All maintained schools submit their expenditure data using the Consistent Financial Reporting (CFR) framework which schools use to code their income and expenditure. This standardised set of codes enables schools to compare their expenditure with that of similar schools. Schools can produce simple charts and reports for governors to show how their money is spent in comparison to other schools.</i></p> <p><i>Within the benchmarking website, there are 3 ways of selecting comparator schools against which to benchmark:</i></p> <ul style="list-style-type: none"> <li>- <b>Statistical neighbours</b> allows schools to select a number of the most similar schools based on criteria they select;:</li> <li>- <b>Manual selection</b> allows schools to select other schools based on a range of values for each of the chosen criteria; and</li> <li>- <b>Specific schools</b> allows schools to select specific schools by name and local authority within the same school phase</li> </ul> <p><i>Some local authorities provide their own benchmarking data as an alternative to the national website.</i></p> |
| <b>3</b> | <p><b>Why schools need to benchmark against similar schools</b><br/> <i>So that meaningful comparisons can be made when comparing expenditure. If a school compares itself to all schools or a random group then the differences in spending are likely to reflect the schools' different circumstances, such as proportions of deprived pupils, rather than help the school identify ways to secure better value for money in its spending.</i></p>  |
| <b>B</b> | <b>Good practice</b>  |
| <b>4</b> | <p><b>All schools should ensure they are benchmarking effectively</b><br/> <i>Schools should use benchmarking as a contributing factor to:</i></p> <ul style="list-style-type: none"> <li>• <i>Planning and managing their budget;</i></li> <li>• <i>Identifying areas for improved use of resource;</i></li> <li>• <i>Setting targets for improved use of resource;</i></li> <li>• <i>Achieving best value in expenditure;</i></li> <li>• <i>Improving the effectiveness of expenditure to improve performance; and</i></li> <li>• <i>Delivering educational services to a defined standard.</i></li> </ul> <p><i>Benchmarking your expenditure can help create a cycle of continuous improvement and develop a culture where it is easier to question the norm and make changes. Benchmarking is not used solely to focus on reducing costs, but to also improve the quality and impact of the school's services. Benchmarking can be most effective where done in collaboration with other schools, and can be used as a tool for improving or bringing about change and raising standards.</i></p>  |

|   |  |
|---|--|
| 5 | <p><b>Selecting the right schools to benchmark against</b></p> <p><i>It is important to select the right cohort of schools to benchmark against, based on your own school characteristics. You should be selecting “like for like” to get a better understanding of your school expenditure and that of other schools in the benchmark set you have selected. The characteristics of your selected benchmark set should allow sound comparisons to be made, enable you to ask questions about different categories of spending and encourage constructive discussions with comparator schools to help your school make changes in performance over time. Typical parameters for selection would include area, school size and percentage of deprived pupils.</i></p>   |
| 6 | <p><b>Interpreting the chart data for your school and others</b></p> <p><i>Care should be taken when interpreting comparative income and expenditure data. Objective information of this sort describes the position of a school relative to other schools: it does not in itself explain why a school is in this position, or provide a view on whether it should be in this position. There may be very good reasons for a school to have relatively high or low figures. What is important is that school governors and managers review the differences, question the reasons for them and aim to make changes where there are not adequate reasons for their spending being high in a particular category.</i></p>   |
| C | <p><b>What to do if things are not right in your school</b></p>  |
| 7 | <p><b>What to do if your school does not regularly benchmark</b></p> <p><i>The school should begin to benchmark immediately. Information about the national benchmarking site is in section 9. The local authority is also a source of advice on benchmarking. As all schools are responsible for spending large amounts of public funds each year they need to demonstrate value for money to parents, auditors and regulators by showing that this money is being well spent to achieve the best outcomes for children.</i></p>  |
| 8 | <p><b>What to do if a category of spend appears to be too high</b></p> <p><i>First, you should consider whether your school has particular circumstances that create valid reasons for this high spending. If there are not, you should consider what factors have led to this high level of spending and then how the use of these resources can be improved in the future.</i></p>   |
| 9 | <p><b>Further information</b></p> <p><i>There are a number of sources that schools can use to begin or improve their use of benchmarking.</i></p> <p><i>The national benchmarking website holds data for all maintained schools since 2002. This website provides data that reflects the expenditure codes that schools use to submit their annual CFR returns. It enables comparisons to be made with other similar schools. Schools can access the Schools Financial Benchmarking (SFB) website via this link:</i></p> <p><i><a href="https://sfb.teachernet.gov.uk/login.aspx">https://sfb.teachernet.gov.uk/login.aspx</a></i></p> <p><i>Schools can also contact their local authority to obtain any benchmarking data that their authority has. Such data usually relate to schools within a single authority and can therefore be comparable and easy to interpret. Schools could focus on data relating to a particular area of concern.</i></p> |

**OUTTURN 2011-12 DRAFT DSG CFO STATEMENT**

CFO name

LA no LA Name

**Chief Finance Officer's Statement confirming the actual deployment of the Dedicated Schools Grant (DSG) in support of the Schools Budget**

I ...[Insert CFO name].....confirm that the DSG received by this Authority in 2011-12 was fully deployed in support of the Schools Budget in accordance with the conditions of grant and the School Finance Regulations 2011.

I confirm that the audited Note to the Accounts concerning the DSG gives a correct statement of how the DSG was deployed. I attach a copy of this Note which has been completed in line with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.

**I also confirm that there were no adverse statements in the Authority's audited 2011-12 Statement of Accounts regarding regularity or propriety.**

I confirm that I have in place a system of audit for schools which gives me adequate assurance over their standards of financial management and the regularity and propriety of their spending. During the financial year 2011-12 I received [ ] signed statements from Chairs of governors (out of [ ] schools maintained by the Authority) that they have carried out the assessment of the Schools Financial Value Standard, and I have taken the contents of these into account in planning my future programme of audit. Of those schools which had never attained the Financial Management Standard in Schools (FMSiS), [ ] did not carry out the SFVS assessment.

Signed .....

Chief Finance Officer

Date.....