

Paper for Information Only

SOMERSET SCHOOLS FORUM

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Schools Financial Value Standard (SFVS)

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1. Summary

- 1.1.** All Local Authority (LA) maintained schools and Pupil Referral Units (PRUs) are required to submit a completed SFVS, signed by the Chair of Governors, to the LA annually by 31 March. This was the seventh year for completion of SFVS returns.

This paper provides an update on the SFVS following receipt of the 31 March 2019 returns.

2. Recommendations

- 2.1.** This paper is for information only.

3. Background

- 3.1.** The SFVS was launched by the Department for Education (DfE) in July 2011. The questions have been designed to assist schools in managing their finances and are divided into four sections:

- A. The Governing Body and School Staff
- B. Setting the Budget
- C. Value for Money
- D. Protecting Public Money

- 3.2.** Formal responsibility within schools lies with governing bodies, and the SFVS is in the first place aimed at Governors. It is expected that school governing bodies will discuss the questions throughout the year with their Headteacher and other senior staff, prior to undertaking the self-assessment against the standard towards the end of the financial year.

4. Action by the Local Authority

- 4.1** **165** schools in Somerset, including 4 PRUs, were eligible for completion of the SFVS by 31 March 2019 and returns were received from 165 schools. The Chief Finance Officer (CFO) was required to sign an SFVS CFO Assurance Statement, stating how many SFVS reports had been received from schools for self-assessments carried out by 31 March 2019. This statement was

returned to the DfE before their 31 May deadline confirming **100% return**. The CFO also certified that there is a system of audit in place which gives adequate assurance over schools' standards of financial management and the regularity and propriety of their spending.

- 4.2** Each of the 25 questions in the 2018/19 SFVS required an answer of 'Yes', 'In Part', or 'No' depending on the extent to which the Governing Body felt that it complied with the criteria.

In previous years the LA has carried out a moderation programme which assessed the school's responses and considered if the evidence provided was appropriate and comprehensive. Due to a change in the format of the SFVS for 2019-20, as detailed below, it was decided to not conduct an audit of the 2018-19 returns but to instead request an audit of Schools Expenditure.

4.3 The DfE has implemented a new electronic SFVS return for the year 2019-20.

The Standard for 2019-20 now consists of a checklist of **29 questions** and a dashboard of financial data.

The checklist asks questions of governing bodies covering **6** areas of resource management:

- A. Governance
- B. School Strategy
- C. Setting the Annual Budget
- D. Staffing
- E. Value for Money
- F. Protecting Public Money

The dashboard shows how a school's data compares to thresholds on a range of statistics identified by the DfE as indicators of good resource management and outcomes.

Guidance on completion of the above is available on the [Gov.uk](https://www.gov.uk) website.

- 4.4** The action plan is an important part of the SFVS. This summarises the intended remedial actions required by the school when they have answered 'No' or 'In Part' to a question. The actions identified in the 2018-19 SFVS returns will be compared with the actions listed in the new 2019-20 return.

The DfE's expectation for the 2019/20 SFVS return is that all action points from 2018-19 will have been cleared before March 2020.

- 4.5** Governors are expected to lead on the completion of the SFVS for 2019-20. **It is to be considered a working document which is to be updated and reviewed throughout the year, with discussions and comprehensive responses being recorded and evidence held to support these and any actions required/implemented.**
- 4.6** Schools were advised of the new electronic SFVS in May 2019 to enable them to start updating information required on their dashboards and Governors to consider the findings. **In September 2019 the DfE announced that the return has been enhanced and an updated version is available for use. Schools were advised and should ensure they are using the correct version when completing and submitting their return for 2019-20.**

5. Background papers

DfE Schools Financial Value Standard Information on the SFVS can be accessed via:

<https://www.gov.uk/government/publications/schools-financial-value-standard-and-assurance>