



Report to:	SCHOOLS' FORUM
Date:	27 September 2022
Reporting Officer:	Caroline Barlow, Assistant Director of Finance.
Subject:	SCHOOLS FINANCIAL VALUE STANDARD (SFVS)
Report Summary:	To provide an update on the requirement for schools to complete the self-assessment process against the Schools Financial Value Standard by 31st March 2022.
Recommendations:	Schools Forum note the contents of the report
Corporate Plan:	Appropriate managed schools finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supporting aspiration and hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	<p>Schools spending must be in line with financial policies and financial regulations.</p> <p>Overall effective use of resources across Tameside schools is a key component in the Authority's Annual Use of Resources Statement.</p>
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The SFVS returns are an assessment of how well school governors are equipped to carry out their financial safeguarding duties</p> <p>To ensure a robust mechanism is in place to support schools in recognises and addressing any weaknesses in their Financial management and allow Internal Audit Team use the information to support the internal audit programme</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>The council has continuing responsibility for financial regularity in the schools that they maintain and the council's chief financial officer (CFO) is responsible for making the necessary arrangements for local financial and management controls, under section 151 of the Local Government Act 1972.</p> <p>The CFO is required to submit a signed assurance statement to the Department of Education annually confirming that they have in place a system of audit for schools that gives adequate assurance over their standards of financial management and the regularity and propriety of their spending. This statement includes a breakdown of the numbers and types of schools within the local authority that have submitted the SFVS return.</p> <p>The SFVS returns also assist schools by providing assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource management.</p>
Risk Management:	There are no direct risks as a result of this report. Any areas of concern or risk identified in the returns will be reported to Internal Audit to use in their assessment of schools on a rolling audit programme
Access to Information:	This report does not contain information which warrants its consideration in the absence of the Press or members of the public

Background Information: The background papers relating to this report can be inspected by contacting Christine Mullins

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1. INTRODUCTION

- 1.1 The schools financial value standard (SFVS) is a mandatory requirement for Local Authority (LA) maintained schools. The SFVS has been designed with schools to help them in managing their finances and to give assurance that they have secure financial management in place.
- 1.2 Governing bodies of maintained schools or management committees of pupil referral units (PRUs) have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors or management committees.
- 1.3 The standard consists of questions which governing bodies or management committees should formally discuss annually with the headteacher and senior staff. It concentrates on the key elements of financial management and efficiency and is aimed mainly at governors as they have a statutory responsibility for financial management in schools. In doing so, governors manage a considerable amount of public money and carrying out the SFVS assessment will assist in this task and give assurance to the Local Authority that schools have sound financial management in place. Areas covered include:
 - Governance
 - Schools Strategy
 - Setting the annual budget
 - Staffing
 - Value for money
 - Protecting Public Money
- 1.4 The standard itself is self-explanatory and support notes are included to guide schools through the process. If a school answers no or in part to any question governors or management committees are required to outline any remedial actions with specified deadlines and must monitor progress to ensure all actions are cleared with in the deadlines
- 1.5 There is no prescription of the level of evidence that the governing body or management committee should require. The important thing is that governors and the management committee are confident and honest in their self-assessment
- 1.6 New for 2021-22 schools are now asked to record and complete a template to record any Party Related transactions and these must be submitted to the LA along with the return.
- 1.7 The requirement on schools to complete a 'self-assessment dashboard' has been removed as the Dfe's school benchmarking website ([benchmarking website](#)) has been updated to include an individualised 'SFVS dashboard' which schools must review and evidence as part of the SFVS self-assessment.

2. THE ROLE OF THE LOCAL AUTHORITY (LA)

- 2.1 The school must send a copy of a governor approved return to their local authority's finance department.
- 2.2 LA's should consider any Related Party Transactions submitted by schools, paying particular attention to any over £20,000 and ensure they are satisfied with the financial controls in place related to these transactions.
- 2.3 Local authorities will use schools' SFVS returns to inform their programme of financial assessment and audit. The SFVS will not be externally assessed. Local authority 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 judgment. Auditors should make the governing body, the management committee and the local authority aware of any major discrepancies

in judgments. Auditors should also ensure that all actions have been addressed before a SFVS review takes place for another year.

3. POSITION OF TAMESIDE SCHOOLS

3.1 Of the 58 schools open at the start of 2021-22, the LA received 57 returns, one school that had an academy order in place did not submit and this is in line with an eligible exemption.

3.2 No schools in Tameside returned a Related Party Transaction above £20,000.

3.3 **Table 1** below shows Tameside school submissions:

TABLE 1

	Primary	Secondary	Special	PRU
Total number of eligible schools in LA	47	6	4	1
Number of eligible schools that completed the SFVS	47	6	3	1
Number of eligible schools that did not complete the SFVS (non-compliant, without exemptions)				
Number of eligible schools that did not complete the SFVS (with exemptions)			1	

4. ASSURANCE STATEMENT

4.1 The LA was required to submit an assurance statement signed by the Chief Financial Officer detailing which schools completed the SFVS to the DfE by 31 May 2022. This statement was signed and sent to the EFSA by the deadline as required.

5. RECOMMENDATIONS

5.1 As set out at the front of the report.