



Education
Funding
Agency

Schools financial value standard (SFVS)

Standard assessment form

March 2017

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Introduction

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.

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. Other schools are welcome to use any of the material associated with the standard, if they would find it useful.

What do schools need to do?

The standard consists of 25 questions which governing bodies or management committees should formally discuss annually with the headteacher 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 or management committees should summarise remedial actions and the timetable for reporting back. Governors or management committees should ensure that each action has a specified deadline and an agreed owner. Governors or management committees must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

The governing body or the management committee 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 or the management committee and the chair of governors or the chair of the management committee must sign the completed form.

The school must send a copy of the signed standard to their LA's finance department.

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 about their responses.

The role of local authorities

LAs will use schools' SFVS returns to inform their programme of financial assessment and audit. The SFVS will not be externally assessed. 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, the management committee and the LA aware of any major discrepancies in judgements. Auditors should also ensure that all actions have been addressed before a SFVS review takes place for another year.

Timetable

The Directed Revisions 2012 to the [Schemes for Financing Schools](#) make it a mandatory requirement for all local authority maintained schools to complete the SFVS assessment form on an annual basis and submit a signed copy (by the Chair of Governors or management committee) to their authority.

Support notes

Support notes are available 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.

The assessment form

School name:

LA and school DfE numbers:

List of questions	Answer (yes/in part/no)	Comments, evidence and proposed actions
A: The governing body and school staff		
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?		
2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?		
3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?		
4. Does the governing body receive clear and concise monitoring reports of the school's budget position at least three times a year?		
5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?		
6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, e.g. on sick leave?		

7. Does the school review its staffing structure regularly?		
8. Have your pay decisions been reached in accordance with a pay policy reflecting clear performance criteria?		
9. Has the use of professional independent advice informed part of the pay decision process in relation to the headteacher?		
B: 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 explicitly planned changes or from genuinely unforeseeable circumstances?		
C: Value for money		
14. 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?		
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, e.g. 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?		
D: 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 and theft by staff, contractors and suppliers (please note any instance of fraud or theft detected in the last 12 months)?		
22. Are all staff aware of the school's whistleblowing arrangements 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

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

Signature: _____ Chair of Governors / Management Committee

Print full name of signatory: _____

Print date SFVS agreed by full governing body/management committee: _____

Date SFVS submitted to LA for review: _____



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