



G4 – FINANCIAL MANAGEMENT STANDARD IN SCHOOLS ASSESSMENT TOOL 2009/10

Greendown Community School



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DCSF Financial Management Standard in Schools Assessment Tool 2009/10

<u>PART A - OUTCOME OF THE ASSESSMENT</u> (to be completed by the Accredited Assessor)	Signed and dated by the Accredited Assessor
The evidence gathered in support of this external assessment has been reviewed.	
The School:	
EITHER: Has met the Financial Management Standard and will require a further review within 3 years of the end of the current financial year.	
OR: Has not met the Financial Management Standard and will require a further review at an appropriate time.	N Soave & M Fitzgerald 27.7.09
The School has been informed of the result of this assessment and is aware of the recommendations made.	N Soave & M Fitzgerald 27.7.09

All recommendations that have been made (whether the School has met the Standard or not) should be inserted or referred to below.

Recommendations (Where a separate action plan has been drafted reference should be made to the document within this box.)

Recommendations have been included in the assessment below against the specific findings.

PART B – HOW TO USE THE ASSESSMENT TOOL

For guidance on the completion of the Assessment tool, please refer to the relevant document from section G5 of the Toolkit or, if on line, click on the link(s) below to open this document.

[G5A Guidance for Schools and External Assessors - Completing the Assessment Form](#)

[G5C Evidence sources for the Assessment Criteria](#)

In areas where assistance is required in order to meet the Standard, the following link will direct users to the appropriate supporting information in the Toolkit. The document below is structured as per the assessment tool, with links to the Toolkit documents on the FMSiSiS website.

[G3A Guide to achieving the Standard](#)

PART C – BACKGROUND DETAILS (to be completed by the School)

Name of the School	Greendown Community School.	
Address of the School	Grange Park Way, Grange Park, Swindon, SN5 6HN.	
Type of School	Secondary	
Number of pupils	1065	
Head Teacher	Clive Zimmerman	
School Business Manager/Finance Officer	Mark Lanchester	
Chair of Governors	Mr A Youngman	
Chair of Finance Committee	Mr A Youngman	
Financial arrangements (cheque book etc)	Cheque Book	
Financial system	SIMS	
Date of last internal audit report	May 2007	
Date of last Ofsted Report	2 nd July 2008	
Date of previous Financial Management Standard Assessment	May 2007	
Who was involved in completing the assessment		
Dates of the meeting(s) at which the assessment was approved by the Governors.		
Signed by:	Chair of the Governing Body	Head Teacher

PART D – SUPPORTING INFORMATION (to be completed by the School)

Information regarding a School that is relevant to the assessment can be inserted in the box below. This opportunity to add supporting information is to avoid schools repeating relevant background information within a number of the comments fields. Schools should avoid adding lengthy or non-relevant information. Information added should be cross referenced to the relevant section & criteria of the Assessment Tool.

Supporting Information	Reference

PART E – THE ASSESSMENT AGAINST THE STANDARD (to be completed by the School and by the Accredited Assessor)

Section 1 Leadership and Governance

1.1	The staff and Governors have a shared understanding of their own financial management roles, responsibilities and accountabilities, and those of others.				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Recommendations and School's response
A	There is a written statement of roles and responsibilities and it is clear, with no gaps or overlaps in responsibilities.	✓		The School has a Scheme of Delegation that covers the Head Teacher, FGB and Finance Committee and was altered to include the SBM in the meeting of 13/10/2008 and this has been minuted.	
B	The allocation of responsibilities to the Finance Committee, Head Teacher and School Business Manager (or equivalent) are reasonable given their roles.	✓		<p>The allocation of responsibilities to the Finance Committee and Head Teacher are reasonable.</p> <p>The Head Teacher can authorise up to £5k expenditure. Finance Committee £5-£20k. However, it is not clear for expenditure over £20k who is responsible for authorising this.</p>	The Scheme of delegation should be updated to clearly show who is responsible for authorising expenditure above £20k, i.e. the FGB.
C	The Governing Body has approved the scheme of delegation covering the Head Teacher, School Business Manager (or equivalent) and the Finance Committee.		X	The Governing Body have not approved the Scheme of Delegation.	1. The Scheme of Delegation has now been approved by the FGB, and will be a standard agenda item annually.

1.1	The staff and Governors have a shared understanding of their own financial management roles, responsibilities and accountabilities, and those of others.				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
D	The Head Teacher and Governors can demonstrate an understanding and application of their responsibilities and the scheme of delegation.		X	<p>It was not possible to establish from meeting minutes that the Head Teacher and Governors demonstrate an understanding of their responsibilities.</p> <p>This was due to the lack of detailed minutes regarding financial decisions and there was no evidence of the information provided to Governors such as quotes and tenders.</p> <p>In addition, there is not a meeting scheduled for the FGB to approve the School's annual budget prior to the LA submission date. (This is covered in 1.2b below)</p>	<p>1. Minutes of GB meetings copied to Gov Support and Chair of relevant committee before issue. Chair always approves before issue and Gov support have confirmed minutes meet standards. Clerk now adds standard agenda items for FC and FGB linked FMSIS Standards and mindful of appropriate timing.</p>
E	Responsibilities are brought to the attention of new Governors.	✓		The School buy into the Governor Support Service, the standard induction pack is provided to Governors. This includes the roles and responsibilities of being a School Governor.	
F	Appropriate information concerning developments within the financial environment in which the School operates is provided to Governors in a timely manner.		X	<p>The Finance Committee is provided with budget information at each meeting.</p> <p>The School have been in a deficit revenue budget position for at least 4 years. It was not until October 2008 that there was any evidence in the meeting minutes to show that the School and Governors have fully discussed the position and developed appropriate action plans to address the financial position.</p> <p>It was not clear from minutes that Governors had been made fully aware of the FMSIS requirements.</p>	<p>1. The SBM has revised the financial information provided to Governors and issues a more detailed report on a monthly basis. This will also go to the LA for monthly monitoring.</p>

The School has met section 1.1 of the FMSiS		The School has not met section 1.1 of the FMSiS	X
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Section 1 Leadership and Governance

1.2	School governance arrangements ensure that Governors are able to fulfil their financial management roles, responsibilities and accountabilities properly				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The Governing Body & Finance Committee agendas, supporting reports & minutes show that appropriate financial matters are considered, such as budgets (original and revised), budget monitoring, financial responsibilities and regulations, contracts and income & charges.		X	<p>Minutes of meetings do not demonstrate that the FGB and Finance Committee consider all appropriate financial information.</p> <p>The level of budget monitoring is not clear and there was no evidence of contract monitoring.</p> <p>FGB do not receive committee meeting minutes.</p> <p>Some evidence existed to demonstrate that Governors are provided with information on funding available to the School. Examples are detailed below: 12/5/08 - £250K funding from SBC towards the refurbishment of the large all weather surface.</p> <p>23/06/08 – Detail of Capital expenditure.</p>	<ol style="list-style-type: none"> 1. Minutes now modified to better reflect the discussions. Approved by Governor Support and Clerk received training. 2. Level of Budget monitoring now aided by new monthly report received by Governors on a monthly basis. Contract Monitoring now introduced as an agenda item. 3. FGB do receive committee meeting minutes 4. Governors are provided with all the funding information known to the school. DFC is an agenda item
B	The timing of meetings is consistent with the deadlines for important financial decisions (e.g. budget approval).		X	<p>The budget was due for submission to the LEA by the 30th June 2009. There was no FGB meeting scheduled in time to approve the budget.</p> <p>The Business Manager advised that the school would submit the budget to the LEA within the timescale and present it to FGB retrospectively.</p>	<ol style="list-style-type: none"> 1. There is now a schedule of key financial decisions to ensure that Governors meetings can be aligned to important dates.

1.2 School governance arrangements ensure that Governors are able to fulfil their financial management roles, responsibilities and accountabilities properly					
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
C	The financial decisions by the Governing Body and Finance Committee, over the past 12 months, are set out clearly and communicated to relevant staff and monitored, where appropriate.		X	Meeting minutes do not record actions required along with the responsible person. Therefore it is not clear from minutes reviewed what Financial decisions have been made.	1. Minutes now clearly record financial decisions made. There will be an action column together with person responsible and a time scale. There will be a standing agenda item of actions from previous meetings.
D	The number of Governors attending meetings over the past 12 months is sufficient to allow necessary decisions to be made.	✓		Minutes examined showed a sufficient number of Governors attending to allow necessary decisions to be made.	
E	Meetings are conducted in an open manner and there has been an adequate level of participation by Governors to ensure the "critical friend" role is provided.		X	It was found that minutes of meetings do not sufficiently record the discussions held, in particular questions raised by Governors. The minutes do not demonstrate that Governors challenge the budget information provided to them. It was therefore not possible to confirm that Governors are providing a critical friend role.	1. Clerk has received training in this – now -Minutes of FGB and Committee meetings should clearly record the discussions held and challenges made, in particular regarding the budget preparation and budget monitoring. There will be a record of who has contributed towards discussions to evidence that Governors are actively contributing towards meetings and they are providing the Critical Friend role.
F	Where evidence is not available to demonstrate that criteria D & E (above) are being met, the external assessor may wish to attend a meeting if they have concerns regarding the effectiveness of meetings. Schools should provide details of forthcoming meetings within the comments field.				

The School has met section 1.2 of the FMSiS		The School has not met section 1.2 of the FMSiS	X
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Section 1 Leadership and Governance

1.3	The Head Teacher and School Business Manager (if in post) operate with financial integrity setting an example to Governors and staff alike				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The current budget is based on the best and most complete information available (e.g. actual and projected pupil numbers and notifications of funding levels).	✓		The budget is set based on income information provided by the LA, which includes projected pupil numbers. The LA Management Information Officer has confirmed that he has worked with the Headteacher to ensure the projections are as accurate as possible.	
B	The current budget is either balanced, aimed at recovering a previous deficit in the agreed manner, or intended to achieve only a prudent planned level of unspent balances.		X	The school has set a deficit budget of £272,515 for 2009/10 and the three year financial plan shows that the school anticipates that it will recover the deficit in year three. However, this deficit has significantly increased from the level initially notified to the LA and there is no obvious action plan in place to recover the deficit. In addition, the assessment by Internal Audit has raised questions around how realistic some of the budgets set are.	<ol style="list-style-type: none"> 1. The school has worked with the LA to determine the exact financial position of the school and to prepare a realistic and achievable recovery plan. 2. The recovery plan has been presented to Governors who have been involved in the feasibility of this plan and the monitoring of its progress to help ensure the deficit budget is recovered in the timescales agreed with the LA.
C	The School's financial performance has been substantially in line with budget and there is evidence of regular and active monitoring by Governors and the Head Teacher.		X	<p>The school's revenue deficit has continued to increase since 2005.</p> <p>The Headteacher monitors the budget and was aware of particular budget pressures when interviewed during the assessment.</p> <p>There is no evidence in Governors minutes to demonstrate that there is regular, active monitoring of the budgets by Governors, including establishing reasons for overspends occurring in 2008/09.</p>	<ol style="list-style-type: none"> 1. The Governors do actively monitor and challenge the budget position of the school and ensure that the financial performance is in line with the budget. 2. Details of this monitoring are now better recorded in the minutes of the meetings.

1.3	The Head Teacher and School Business Manager (if in post) operate with financial integrity setting an example to Governors and staff alike				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
D	There have been no subsequent significant changes to the budget that should have been included in the original budget.	✓		No significant changes to the budget were identified during the review.	
E	There are no serious adverse issues raised in internal audit or Ofsted reports on financial management matters that remain outstanding.		X	The Internal Audit review conducted alongside the assessment has identified a number of concerns regarding the budget setting and the reliability of the estimates.	1. Refer to the Internal Audit report for the present situation (march 2010) on this
F	The person responsible for the day to day financial management of the School should be a member of the Senior Management Team or equivalent, as appropriate.	✓		The Business Manager is a member of the Senior Leadership Team.	
G	There is an effective process in place to communicate decisions made by the Senior Management Team or equivalent, which have financial management implications, to relevant Governors and staff.	✓		The School hold two staff briefings a week to ensure that staff are aware of decisions made at Senior Management Team meetings. Governors are informed through the Head Teacher's report on SDP and staffing.	
H	The Head Teacher and School Business Manager adhere to the financial rules of the school and Local Authority and encourage others to do so.	✓		The school encourages compliance with the Council's Financial Regulations, this can be seen in the information provided to budget holders where extracts of the relevant regulations surrounding ordering and purchasing are issued.	

The School has met section 1.3 of the FMSiS		The School has not met section 1.3 of the FMSiS	X
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Section 1 Leadership and Governance

1.4	The Governing Body has considered and signed a Statement of Internal Control (SIC) confirming that resources have been properly managed				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	There is a process in place to ensure relevant issues are considered by stakeholders prior to the preparation of the SIC.		X	<p>The School have not prepared a SIC since March 2008.</p> <p>Whilst Governors have looked at the SIC in previous years, they have not used the Governors Checklist and Risk self assessment within the FMSIS toolkit to inform their decisions in the preparation of the SIC.</p> <p>In addition, the SIC signed in March 2008 was for controls up to the 31/03/09, and not for the previous year, this was therefore inaccurate.</p>	<p>The SIC should be completed on an annual basis, to confirm that satisfactory controls are in place throughout that year.</p> <p>Governors should ensure they use all resources available to inform their decisions before approving and signing the SIC.</p> <p>1. R52 – Financial Risk and control check list - self assessment and Statement of Internal Control (SIC) will be presented to GB annually, at final budget stage, with previous years outturn, current years budget proposal.</p>
B	The School has a signed SIC that was discussed and approved by the Governing Body in the past 12 months.		X	See 1.4A above.	1. The statement of internal control (SIC) will be prepared for GB at final budget stage – April/May 2010
C	The wording of the SIC is either as per the pro forma within the Toolkit or has changes to the text that can be justified.		X	The School have used an out of date document.	1. The school will use the current SIC template provided by the DCSF, which can be found on the FMSIS website.
D	Where the School has identified issues within the SIC, these are considered in the other relevant areas of the assessment against the Standard.		X	See 1.4A above.	1. The school will address the identified issues.

1.4	The Governing Body has considered and signed a Statement of Internal Control (SIC) confirming that resources have been properly managed				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
E	Any significant issues highlighted by internal audit or Ofsted, that are relevant, have been included in the School's SIC and, where appropriate elsewhere, within this assessment.		X	The issues surrounding the budget have not been included in the SIC.	1. The school will ensure that all issues affecting financial control and management will be included in the SIC.
F	Any issues included in the SIC have been reported to the Local Authority's S151 officer.		X	See 1.4A above.	1. These issues will be reported to the LA S151 Officer

The School has met section 1.4 of the FMSiS		The School has not met section 1.4 of the FMSiS	X
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Section 1 Leadership and Governance

1.5	The School has effective governance arrangements covering issues which include conflicts of interest and whistle blowing				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	There is an up to date register of business interests that is compliant with best practice guidance.	✓		The School has a business interest register that is up to date and compliant with best practice.	
B	There is a process to ensure regular review and updating of the register.	✓		The business register is updated on an annual basis at the beginning of the School year.	
C	It is evident from the minutes of meetings that there is an opportunity to declare interests.		X	The opportunity to declare interests is not a standing agenda item at all Governors meetings. <i>This is an outstanding recommendation from the previous FMSIS assessment.</i>	1. Declaration is a standing Agenda Item on all FGB meetings. The Clerk has been requested to add it to sub-committees as well.
D	There is no subsequent evidence that interests that should have been disclosed were not declared at the right time.	✓		There was no evidence that interests that should have been disclosed were not. However this could not be fully evidenced due to 1.5C above.	
E	The School has details of the Local Authority whistle blowing policy & staff are aware of it.		X	The School has the local authority's Whistle Blowing Policy. However the version held by the school is dated 2002. The authority updated it in 2007 and a new version has now been supplied.	1. The 2008 (further update) whistleblowing policy has been added to relevant Governing Body agenda and then to the schools policy manual, and been made known to staff.

1.5	The School has effective governance arrangements covering issues which include conflicts of interest and whistle blowing				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
F	There are effective clerking arrangements for the Governing Body and Finance Committee. (Where the evidence of effectiveness is not clear, a view on the arrangements in place should be obtained from the LA Co-ordinator of Governor Services).		X	<p>The School has an independent Clerk to the Governors and Finance Committee.</p> <p>It was found that minutes of meetings do not record full discussions held.</p> <p>The Business Manager stated that the minutes are not an accurate reflection of meetings that have taken place and that Governors actively contribute towards the meetings.</p> <p>Meeting minutes are not signed by the Chair of the FGB and relevant committee to confirm they are accurate.</p>	<p>1. In order to meet the standards required in the assessment, the meeting minutes of Governors meetings have in place the following improvements:</p> <ul style="list-style-type: none"> • Full details of the discussions that have taken place, including the participation of Governors. • Approval of all key financial decisions. • Declaration of interest. • Actions required along with who is going to achieve these and timescales for completion. • Financial contents of meetings. • Reference to what has been distributed at meetings i.e. which budget monitoring reports and discussions held around these. • The Chair of Governors and relevant Committee should sign the minutes. These should be held in a file along with the supporting documents that were provided at the meeting. <p>2. The school has taken advice from Governor support in these areas and the clerk received some training.</p>

1.5	The School has effective governance arrangements covering issues which include conflicts of interest and whistle blowing				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
G	Where evidence is not available to demonstrate that criterion F (above) is being met, the External Assessor may wish to attend a meeting to observe the effectiveness of the clerking arrangements.				

The School has met section 1.5 of the FMSiS		The School has not met section 1.5 of the FMSiS	X
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Section 2 People Management

2.1	The Governing Body includes individuals who are able to: (i) be an effective “critical friend” on financial management issues, (ii) provide strategic leadership on financial management issues & (iii) ensure financial management accountability				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	Relevant Governors are aware of the financial management competencies as recommended by the Standard and there is an up to date completed self-evaluation of Governing Body competencies.	✓		The COG and Finance Committee have completed the self assessment of Financial Management competencies, with the exception of 2 members.	Up to date self-evaluations should be obtained for all relevant Governors.
B	The completed self evaluation competency matrices indicate that the Finance Committee or equivalent has the full range of Governor financial management competencies.	✓		A review of the Financial Management competencies, indicate that the full range of competencies required exists across the Finance Committee.	
C	The School is not over-reliant on any one individual in meeting the competency requirements.	✓		From the review of the Financial Competencies it does not appear that the School is over reliant on any one individual in meeting the competency requirements.	
D	Governors' induction arrangements provide appropriate details regarding financial management activity within the School.	✓		The school uses the Governors Support induction process.	
E	Governors have been given the opportunity to attend financial management training courses over the past 12 months, particularly to address any gaps in their competencies.	✓		The Business Manager advised that Governors have been given the opportunity to attend Financial Management training. However Governors have not taken up these opportunities.	Governors should attend Financial Management training, in particular to cover the gaps identified in the self evaluation of competencies. If it is difficult for Governors to attend training the School should consider inviting guests to scheduled meetings to cover specific topics.

The School has met section 2.1 of the FMSiS	✓	The School has not met section 2.1 of the FMSiS	
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Section 2 People Management

2.2	The staff with financial management responsibilities include individuals who are organised in a way that enables them to: (i) provide a strategic view, (ii) ensure accountability requirements & (iii) facilitate the effective operation of financial processes				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The staffing structure of the School has been reviewed in the last two years and the conclusions reached on the number of posts and structure are reasonable, given the size and nature of the School.	✓		The school has carried out a detailed staffing structure review in response to the current budget pressures and falling pupil numbers. This included comparisons and benchmarking of pupil/teacher ratios and resulted in a reduction programme for 2009/10.	
B	The recommendations of the most recent review have either already been adopted or there is an appropriate action plan in place.	✓		The review results have been actioned.	
C	There is an up to date completed self-evaluation of staff financial management competencies.	✓		The Head Teacher, Business Manager, Finance Manager and Finance Assistant have completed the self evaluation of Financial Management competencies as recommended by the standard.	
D	The completed self evaluation competency matrices indicate that the school has the full range of staff financial management competencies.	✓		A review of the competencies showed that the School has the full range of financial management competencies.	
E	Reasonable efforts have been made to ensure the School is not over-reliant on any one individual member of staff.	✓		The School do not appear to be over reliant on any one individual.	
F	Key financial management responsibilities are included in the person specifications for posts, where appropriate, and current recruitment procedures test these competencies.	✓		A review of the Bursar/Business Manager's candidate specification confirmed that financial management competencies are included and tested in the recruitment process.	
G	The process for determining Performance Management targets for staff ensures targets include financial management issues, where appropriate.	✓		The school have confirmed that relevant staff have performance targets including financial management.	

2.2	The staff with financial management responsibilities include individuals who are organised in a way that enables them to: (i) provide a strategic view, (ii) ensure accountability requirements & (iii) facilitate the effective operation of financial processes				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
H	Relevant staff have been given the opportunity to attend financial management training courses over the past 12 months, particularly to address any gaps in their competencies.	✓		The school have confirmed that staff have been given the opportunity to attend training courses.	

The School has met section 2.2 of the FMSiS	✓	The School has not met section 2.2 of the FMSiS	
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Section 3 Policy & Strategy

3.1	The School has an annual budget that (i) is realistic and affordable in relation to available resources and cash flows, (ii) is approved by Governors on a timely basis, (iii) reflects the School development plan, and (iv) is consistent with longer term financial plans (including recovery of deficits or saving up for future developments)				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School improvement / development plan has sufficient scope and depth of the financial implications and it is reflected in the school's three year budget plans.		X	<p>The School Development Plan (SDP) includes some details of financial implications. This includes a summary of development bids for 2008/09 totalling £6k; these costs have been separately identified in the school's budget.</p> <p>However, there are other actions identified in the SDP for which there is some indication that they will have a financial impact but these are not clearly costed and are not reflected in the budget. Consequently, it was not possible to confirm that these additional tasks were affordable.</p>	<p>1. The SDP will be fully costed and include details of the cost centres where expenditure will be met. All financial implications will be clearly reflected in the school's three year financial plan to ensure they are affordable and correctly prioritised.</p>
B	The original budget is consistent with the longer term financial plans of the school, which include a three year budget forecast.		X	<p>The school are working at recovering a deficit budget which has been building up since 2005.</p> <p>The three year financial plan reflects this and shows that the school anticipate this will be completed in 2011/12.</p> <p>However, as recorded in 1.3 above, the assessment and Internal Audit has raised questions over how realistic they are as some appear to be unrealistic with no clear costings to support reductions when compared to prior year actual spend.</p>	<p>1. New budget preparations now include costings to support reductions when compared to prior year actual spend (outturn)</p>
C	The three year budget forecast of the school takes into account future years' funding allocations that are made available by the DCSF.	✓		The three year budget template takes into account future years funding available from the DCSF as notified by the LA.	

3.1	The School has an annual budget that (i) is realistic and affordable in relation to available resources and cash flows, (ii) is approved by Governors on a timely basis, (iii) reflects the School development plan, and (iv) is consistent with longer term financial plans (including recovery of deficits or saving up for future developments)				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
D	<p>The Head Teacher's/School Business Manager's report to Governors on the original budget:</p> <ul style="list-style-type: none"> i) explain the basis for the planned level of unspent balances (or recovery of deficits), and is in line with School/Local Authority policy ii) explains the basis of income and expenditure estimates iii) and the assumptions made are reasonable 		X	<p>The Head Teacher and Business Manager presented the Finance Committee with the three year draft budget at the meeting held on the 18th May 2009.</p> <p>The School have put an action plan in place for the LEA, which was also discussed with Governors.</p> <p>The minutes note that the income estimates were discussed but there is no mention of a discussion around expenditure estimates.</p> <p>As stated in 3.1B and 1.3 above, on further examination of individual budgets set, some assumptions made do not appear reasonable and the basis of some income and expenditure estimates is not clear.</p>	<p>1. Present and future reports to Governors on the budget will explain in detail the basis of income and expenditure estimates. Governors can challenge this information and the assumptions made to ensure they are reasonable and that the budget is achievable and realistic.</p>
E	The Governing Body agreed the budgeted level of balances or licensed deficit recovery plan.	✓		The minutes of the Finance Committee Meeting of 18 th May 2009 notes that Governors voted unanimously to adopt the three year budget plan. There is no evidence that this was referred to the Full Governing Body for ratification.	The three-year financial plan should be presented to the Full Governing Body for ratification.
F	The Governing Body approved, on a timely basis, the budget and any subsequent revisions to it.		X	The school's budget was due for submission to the LA by the 30 th June 2009. There was no FGB meeting scheduled in time to approve the budget prior to submission. The Business Manager advised that the school would submit the budget to the LA within the required timescale and present it to the FGB retrospectively.	<p>1. Meetings of the FGB and Sub Committees are now scheduled to ensure that key financial decisions and approvals can be made within required timescales.</p>

3.1	The School has an annual budget that (i) is realistic and affordable in relation to available resources and cash flows, (ii) is approved by Governors on a timely basis, (iii) reflects the School development plan, and (iv) is consistent with longer term financial plans (including recovery of deficits or saving up for future developments)				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
G	Profiled budgets are in place to assist with monitoring arrangements and cash flow (where necessary).		X	The School have profiled areas of the budget where possible. Examples examined were Electricity, Gas and Water charges. However it should be noted that the profiles used are system standards and have not been calculated to match the school's spend profile. In addition, the school has not prepared and used a cashflow forecast.	<p>1. The budgets will be profiled in accordance with the historical spend for the school. FMS contains the standard profiles we have always used but we will look to match the schools spend profile more closely at 2010/11 budget setting.</p> <p>2. Cashflow forecasts are prepared monthly and monitored by the FC. Any significant variances are be identified promptly and investigated.</p>

The School has met section 3.1 of the FMSiS		The School has not met section 3.1 of the FMSiS	X
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Section 3 Policy & Strategy

3.2	The Governors and the staff have compared the School's financial performance with that of similar schools, examined reasons for differences and taken action where necessary				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	Where the School has not used the DCSF benchmarking website (DCSF Benchmarking website), there are valid reasons, which have been reported to the Governing Body along with a suitable alternative.	✓		The School have used benchmarking for some costs and other comparisons, specifically staffing.	
B	The comparator schools are fair and reasonable	✓		The school obtained information from the LA to assist with comparisons, they appear reasonable.	
C	Reasonable conclusions and recommendations have been drawn from the comparisons made and these have been made known to the Governing Body.	✓		Conclusions around staffing/pupil ratios have been made and the school has used this in their staffing structure review. The school have not used benchmarking information, either obtained from the DCSF website or from local networks, for other income or expenditure comparisons.	It is recommended that the school carry out further benchmarking or cost comparisons for other costs centres where there is an identified budget pressure.
D	Where appropriate, an action plan has been put in place with progress against it monitored.	✓		Action has been taken as part of the staffing structure review.	

The School has met section 3.2 of the FMSiS	✓	The School has not met section 3.2 of the FMSiS	
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Section 4 Partnerships & Resources

4.1	The Local Authority and the School have agreed their respective financial management roles and responsibilities				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The Scheme for Financing Schools is available within the School.	✓		The School has the LEA Scheme for Financing Schools. This is held in the Finance Office.	
B	The Scheme for Financing Schools is covered in Governor induction training.	✓		New Governors attend the Governors Induction programme.	
C	The Local Authority has no significant concerns regarding the School's stakeholders' understanding of their respective financial management roles and responsibilities.		X	The LA have been contacted and their response is: <i>'The LA does have concerns as this school is projecting a deficit budget again for 2009/10 and the deficit has increased since the last financial year when an action plan was drawn up to reduce the deficit over 3 years. The LA finance team will be following this up with the school'.</i>	1. The school is working with the LA finance team to ensure that the financial position of the school is clear and accurate and an agreed, realistic action plan is in place to address the deficit.

The School has met section 4.1 of the FMSiS		The School has not met section 4.1 of the FMSiS	X
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Section 4 Partnerships & Resources

4.2 The School has procurement arrangements in place to secure value for money from all suppliers, including the LA and outside contractors					
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School's financial regulations and procedures require quotations and tenders at appropriate levels.	✓		The School has the LEA Financial Regulations, these require quotes and tenders at £1k and £50k respectively.	
B	In considering quotations the School takes into account both the quantitative and qualitative merits of bids.		X	<p>The school confirmed that this occurs, however the refurbishment of the school's all weather service costing £250k was not subject to tender, with only quotes received and no evidence of independent evaluation carried out. This project was managed by the School's Fundraising Officer who confirmed that he was advised of the requirements for tendering by the Business Manager but failed to follow the procedure. Consequently, we have not been able to confirm that the contract was awarded properly and in the best interest of the school, nor can Best Value be demonstrated.</p> <p>In addition, the minutes of Governors meetings do not demonstrate that Governors were involved in the decision making for this contract and appear to be told of the successful contractor after the contract had been awarded.</p>	<ol style="list-style-type: none"> 1. staff are reminded of the Financial Regulation requirements for obtaining quotes and tenders at the specified level. 2. Instructions, procedures and standard documentation are in place for obtaining quotations and tenders, in accordance with the Financial Regulations. 3. The Business Manager/Finance Officer are involved in all purchases where quotations or tenders are required and a full documented evaluation is carried out, where possible/practical before a decision is made. Authorisation for amounts over that allowed for in the Scheme of delegation is obtained from the relevant Officer or Governors prior to contract award. (e.g. catering)

4.2	The School has procurement arrangements in place to secure value for money from all suppliers, including the LA and outside contractors				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
C	The School can demonstrate that it has processes in place to deliver Value for Money when procuring goods and services (e.g. through the application of best value principles).		X	All staff interviewed during the course of the assessment stated that they always look to obtain best value when procuring goods and services. However, as stated in 4.2B above, no evidence could be found of the processes in place.	1. See 4.2B – same
D	The Governing Body or delegated Committee discuss the options available to the School prior to the approval of continuation/cessation of contracts, including Local Authority sourced services.		X	<p>The Finance Committee approved the LEA buybacks at the meeting held 12th May 2008, the minutes do not specifically state which services were approved for buy back.</p> <p>There are a number of other contracts in place at the School such as grounds maintenance, finance support etc. However there is no evidence that Governors have been made aware of these or discussed options available.</p>	1. A schedule of contracts in place at the school is now prepared, including contract renewal date, annual cost and services covered. This is available to the Clerk to Governors to ensure that all contracts are discussed prior to the cessation date in order to explore other options available or to agree continuation of the contracts.
E	The Local Authority has received a signed Best Value statement from the school.	✓		The LA have confirmed that they have received a signed Best Value statement from the school.	
F	The School recognises that contracting is a complex area and has arrangements in place to seek expert advice when necessary.	✓		The school has access to expert advice from the Council's legal department or Property Services and would contact them if necessary.	

The School has met section 4.2 of the FMSiS		The School has not met section 4.2 of the FMSiS	X
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Section 5 Processes

5.1	The financial management information provided to Governors and staff meets their needs by being relevant, accurate, timely & user friendly				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	<p>The reports provided to staff for each level of financial management contain information that is:</p> <ul style="list-style-type: none"> i) <i>relevant to their financial management; responsibilities (i.e. covering budgets that they are responsible for);</i> ii) <i>clearly presented so that information is easy to understand;</i> iii) <i>produced regularly and promptly; and</i> iv) <i>understood by recipients.</i> 	✓		<p>Information provided to staff regarding their budget is of a high standard. Budget holders are provided with details of their annual allocation, a summary of the relevant financial regulations they must comply with and are required to complete and return a tear off slip to confirm they understand the requirements and will abide by them.</p>	
B	<p>The monitoring reports provided to Governors contain information that is:</p> <ul style="list-style-type: none"> i) <i>relevant to their role;</i> ii) <i>clearly presented so that information is easy to understand;</i> iii) <i>produced regularly and promptly; and</i> iv) <i>understood by recipients.</i> 		X	<p>Governors receive a 'Governors Monitoring Report' which is produced from SIMS and exported into an excel spreadsheet. The spreadsheet is then configured to show flags indicating variances to highlight to Governors .</p> <p>A review of this report identified that, whilst the bottom line matches the approved budget total, the totals for the cost centre summaries do not agree. The school were unaware of this and needed to ask their AT for an explanation. They identified that there were differences in where the report pulled information from.</p> <p>In addition, the report produced for Governors only shows the original budget, current budget, actual and committed spend and the balance remaining. The report does not show comparisons to predicted spend at the date the report is printed (profiled spend) to identify any potential overspends.</p> <p>Minutes of Governors meetings do not detail what supporting information is provided to Governors. Therefore it could</p>	<ol style="list-style-type: none"> 1. There is now an entirely new budget monitoring report in place provided monthly to Governors and the LA. This has been in place for some 8 months and satisfies all requirements 2. Minutes have been modified to better reflect supporting information

				not be established whether Governors understand information provided to them. The Chair of Finance has confirmed that the reports are being developed.	
5.1	The financial management information provided to Governors and staff meets their needs by being relevant, accurate, timely & user friendly				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
C	The information contained within the monitoring reports is accurately derived from the underlying financial records.	✓		Information contained in the Governors monitoring report is derived directly from SIMS, the school's financial management system.	
D	Earmarked and similar funds are clearly stated.	✓		Earmarked funding is allocated to separate cost centres.	
E	Earmarked funding has been dealt with in accordance with the relevant terms and conditions.	✓		No anomalies were identified during testing.	

The School has met section 5.1 of the FMSiS		The School has not met section 5.1 of the FMSiS	X
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Section 5 Processes

5.2	The School provides the LA with accurate and up to date information in accordance with the LA's needs				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School is aware of what information is required by the Local Authority and the deadlines for its submission.	✓		The School has the LEA Schools Financial Reporting schedule, therefore is fully aware of what information the LEA require along with the deadline for submissions.	
B	The School can demonstrate it has complied with Local Authority deadlines.		X	<p>The LA have been contacted and they have confirmed that the school has not complied with LA deadlines as:</p> <ul style="list-style-type: none"> Quarter 1 monitoring information as at end of June has not been sent into the LA. Monthly monitoring information should be sent in to the LA but nothing has been received yet in the 2009/10 financial year. 	1. The school ensures that all required information is submitted to the LA within the set deadlines.
C	The information provided by the School to the Local Authority is consistent with underlying financial records, and information provided to / approved by the Governing Body.		X	As per 1.3B above, the information provided by the school to the LA has not been consistent and the anticipated levels of deficit reported has changed significantly to that originally reported.	1. The school provides information consistent with underlying financial records. The LA has confirmed that the information it now receives is satisfactory.
D	The Local Authority has no significant concerns regarding the quality and timeliness of the information provided by the School.		X	<p>As per 5.2B above, that LA have responded:</p> <p><i>'The school needs to ensure that monthly monitoring information is sent into the LA finance team. Nothing has been received yet this financial year and this is a concern as the school is in a deficit position'.</i></p>	1. Monthly monitoring info is sent to the LA within the first week of each month after the payroll updates have been logged onto FMS.

The School has met section 5.2 of the FMSiS		The School has not met section 5.2 of the FMSiS	X
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Section 5 Processes

5.3	The School complies with Consistent Financial Reporting requirements on a timely basis				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School has met the deadlines required for Consistent Financial Reporting returns.	✓		The LA has confirmed that the school has met the deadlines for the CFR returns.	
B	The School's Consistent Financial Reporting return can be reconciled with its underlying financial records.	✓		The return can be confirmed to the records.	
C	The School has used categories consistent with the CFR guidance when completing its CFR return	✓		Confirmed as consistent.	
D	The School's balances agree with the published data in the section 52 Part B Outturn Statement.	✓		Return examined agreed to the published data.	

The School has met section 5.3 of the FMSiS	✓	The School has not met section 5.3 of the FMSiS	
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Section 5 Processes

5.4	The School has up to date, documented and approved financial regulations that are implemented consistently.				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School's Financial Regulations are either the model set provided by the Local Authority or are based on and consistent with the Local Authority's requirements (set out in the Scheme for Financing Schools or other specific guidance).	✓		The School has the LEA Financial Regulations. A School policy is also in place which is updated in accordance with Financial Policy.	
B	The School's Financial Regulations have been formally adopted or approved.	✓		It is a formal requirement for Schools to work within the LEA Financial Regulations. The Schools own Financial Policy has been reviewed by Governors.	
C	The School's Financial Regulations have been reviewed in the last two years.	✓		The LEA have recently reviewed and updated the Financial Regulations. These updates have been made available to the School.	
D	The School's Financial Regulations match the structure and requirements of the School (e.g. if the School has appointed a School Business Manager, that the post is reflected in the regulations and the responsibilities assigned to the post are appropriate).	✓		The Financial Regulations match the Structure of the School.	
E	The School's Financial Regulations are available to all staff and Governors who need to use them (e.g. copies have been given to staff with financial responsibilities or are available on the School intranet).	✓		The Financial Regulations are held in the Finance Office and are available to staff who need to use them. The Finance Manager also provides relevant extracts to Budget Holders with their budget allocation information.	

The School has met section 5.4 of the FMSiS	✓	The School has not met section 5.4 of the FMSiS	
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Section 5 Processes

5.5	The School has up-to-date, documented and approved detailed financial procedures that are tailored to the School's needs and implemented consistently in practice.				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School's local financial procedures have been approved by the Governing Body.		X	The school's local financial procedures are currently being developed and therefore have not yet been presented to Governors for approval.	1. The Schools financial procedures are an item on the finance agenda and reviewed annually by Governors.
B	The School's financial procedures are appropriate for the systems in use at the School.		X	A review of the current version of the procedures identified that the key financial tasks have been identified but the procedures for carrying out these tasks needs to be expanded to ensure they provide a useful reference guide should staff absence occur of training be required.	1. The procedures are being expanded to include more detail on the tasks. This to allow the document to be used as a training aid if required.
C	The School's financial procedures are available to all the relevant staff.		X	See 5.5A above.	1. They are available to all relevant staff.
5.5	The School has up-to-date, documented and approved detailed financial procedures that are tailored to the School's needs and implemented consistently in practice.				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
D	The School's financial procedures are comprehensive and relevant.		X	See 5.5A above.	1. As above
E	The School's financial procedures are regularly reviewed and are updated as necessary.		X	See 5.5A above.	1. As above

The School has met section 5.5 of the FMSiS		The School has not met section 5.5 of the FMSiS	X
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Section 5 Processes

5.6	The School maintains proper accounting records throughout the year				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
A	The School's accounting records, whether manual or computerised, are capable of providing up to date information on the School's financial position (i.e. position against budget and cash and bank balances as appropriate).	✓		The school uses SIMS, Sage and Tucasi to record their financial information. All systems are capable of providing information on the school's financial position.	
B	There is an appropriate process in the School to ensure accounting records are kept up to date and there is no evidence to suggest any significant deviations from this process.	✓		All records examined were found to be up to date and no evidence was found to suggest any deviations from this process.	
C	The School's bank reconciliation is: <i>(i) prepared promptly & regularly, (ii) accurate (with all issues resolved) & (iii) independently reviewed (with written confirmation of that review).</i>	✓		The April 2009, bank statement and reconciliation was examined. It was found that the bank reconciliation was prepared promptly and was accurate with evidence of an independent review by the Head Teacher.	
D	The School's control accounts (where used) are cleared on a prompt and regular basis.	✓		No evidence was found to suggest that the control accounts were not cleared promptly.	
E	The School has no other similar holding or below-the-line accounts that could distort financial performance.	✓		No evidence of below the line accounts was found.	
F	Primary accounting documents show that they have all been properly authorised, processed correctly and have not been amended.	✓		All records examined were properly authorised and processed correctly.	
G	The School's records are stored securely in accordance with the Local Authority's requirements.	✓		The school records are held securely with access restricted.	

5.6	The School maintains proper accounting records throughout the year				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
H	<p><i>For cheque-book schools:</i></p> <ul style="list-style-type: none"> the bank balance has not been overdrawn (or not exceeded the agreed overdraft limit) in the last year, cash-flow is monitored and variances to the plan are investigated, the Local Authority has no significant concerns regarding the School's competence in dealing with VAT returns and other records. 		X	<ul style="list-style-type: none"> The bank balance has not been overdrawn in the last year. The school does not prepare cash flow forecasts The LA have confirmed they have no concerns with the school's competence in dealing with VAT returns and other records. 	<p>1. Monthly cash flow forecasts are prepared and shared with FC and LA</p>

The School has met section 5.6 of the FMSiS	✓	The School has not met section 5.6 of the FMSiS	
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Section 5 Processes

5.7	The Governors and staff have evidence that there is effective control over: ➤ financial management system ➤ income received ➤ payroll ➤ purchasing ➤ the banking system ➤ petty cash holdings and payments ➤ taxation system ➤ voluntary funds ➤ the School's assets					
		Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
	A	The School has either been subject to a review by internal audit or has undertaken a controls self-assessment during the past 12 months.		X	An Internal Audit was conducted at the same time as the assessment and the results will be reported to the Headteacher and Governors. Prior to this the last Internal Audit was conducted in 2005. There is no evidence to demonstrate that the school has completed a controls self assessment in the last 12 months.	1. The school will produce a controls self assessment (R52) (done for 2009 and signed by Chair) annually to FC with outturn/proposed budget to enable SIC to be considered. Outcomes of previous audit/FMSiS will be reviewed and presented to FC. Due April/May 2010.
	B	The evidence supporting any recent controls self-assessments undertaken by the School shows that the process was carried out correctly and the answers provided were reasonable.		X	See 5.7A Above	1. As Above
	C	The School has implemented a timely action plan to implement any recommendations made by its auditors.		X	The Internal Audit review and FMSiS reassessment has identified some recommendations from the previous reviews that have not yet been implemented.	1. These are all now in place
	D	The School has monitored progress of the action plan and there is no evidence to suggest unnecessary delays in its implementation.		X	See 5.7C above	1. As Above

5.7	The Governors have evidence that there are effective controls operating within the school.				
	Assessment Criteria	Exists	Does not exist	Evidence	Assessor Comments and School's response
E	The School has taken appropriate steps to ensure effective financial control has been maintained following any significant changes since the last audit or self-assessment, e.g. to staffing arrangements or control systems.	✓		No significant changes have occurred.	

The School has met section 5.7 of the FMSiS		The School has not met section 5.7 of the FMSiS	X
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