REPORT	NUMBER: V1-PRI5	EAST F	RIDING OF YOF	KSHIRE COUN	CIL	RUN DAI	E: 09/10/2015	PAGE: 0001	This is period 6 (September), when
EMAIL	: ANYWHERE.HEAD.PRIMARY	E	BUDGET MONITC	RING REPORT					it would be
SCHOOL	COST CENTRE: 3111		FOR: ANYWHERE PRIMARY FOR: PERIOD 6 SEPTEMBER 2015/16 ◀						expected that approximately 50% of the budget to
		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	have been spent
	REVENUE								
	EMPLOYEE EXPENSES								
	E01 TEACHING STAFF E02 SUPPLY STAFF E03 EDUCATION SUPPORT STAFF E04 PREMISES STAFF	740,361 1,000 251,076 19,480 70,772	361,142 360 125,538 9,738	362,909 986 127,399 6,711	1,767 626 1,861 3,027-	377,452 14 123,677 12,769	49.02 98.60 50.74 34.45	682,227 6,502 262,522 19,389	
	E05 ADMIN & CLERICAL STAFF E06 CATERING STAFF E07 OTHER STAFF	79,772 19,890 37,081	42,416 9,948 18,540	41,132 10,329 10,782	1,284- 381 7,758-	38,640 9,561 26,299	51.56 51.93 29.08	80,732 21,234 26,202	See Page 10 – provides a summary of
		1,148,660	567,682	560,248	7,434-	588,412	48.77	1,098,808	catering income and expenditure
19316 19338	RECRUITMENT ADVERTISING CRB POLICE CHECKS COSTS	0 960	0 355	<mark>380</mark> 365	380 10	380- 595	.00 38.02	0 1,579	
	E08 INDIRECT EMPLOYEE EXPENSES	960	355	745	390	215	77.60	1,579	Will all of this budget be
19209	TRAINING EXPENSES	6,350 🗲	2,796	475	<mark>2,321-</mark>	5,875	7.48	4,065	required? Could any excess be
	E09 STAFF DEV & TRAINING	6,350	2,796	475	2,321-	5,875	7.48	4,065	vired to a code which is
19360	SUPPLY TEACH COVER INSURANCE	12,076	12,076	12,076	1-	1	100.00	14,832	overspending?
	E10 SUPPLY TEACHER INSURANCE	12,076	12,076	12,076	1-	1	100.00	14,832	
19361	NON-TEACH ABSENCE INSURANCE	3,209	3,209	3,209	0	0	100.00	4,134	
	E11 STAFF RELATED INSURANCE	3,209	3,209	3,209	0	0	100.00	4,134	
	TOTAL EMPLOYEE EXPENSES	1,171,255	586,118	576 , 753	9,365-	594,502	49.24	1,123,418	
	PREMISES EXPENSES								

REPORT NUMBER: V1-PRI5 EAST RIDING OF YORKSHIRE COUNCIL RUN DATE: 09/10/2015 PAGE: 0002

EMAIL : ANYWHERE.HEAD.PRIMARY

BUDGET MONITORING REPORT

SCHOOL COST CENTRE: 3111

FOR: ANYWHERE PRIMARY FOR: PERIOD 6 SEPTEMBER 2015/16

		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	
21046 21047 29991	SCH CYCLICAL MAINT NON-ERYC SCHOOLS GENERAL REP & MAINT PREMISES RECH-CONTROLLABLE	0 5,920 2,500	0 2,607 1,100	1,187 1,180 543	1,187 1,427- 557-	1,187- 4,740 1,957	.00 19.93 21.72	2,123 13,000 120	
	E12 BUILDING MAINT & IMPROVE	8,420	3,707	2,910		5,510	34.56	15,243	
29103	GROUNDS MAINTENANCE RECHARGES	500	220	226	6	274	45.20	2,817	The budget has been profiled to be fully spent by
	E13 GROUNDS MAINT & IMPROVE	500	220	226	6	274	45.20	2,817	month 6. Is the
27015 27016	CLEANING & DOMESTIC MATERIALS CLEANING & DOMESTIC SERVICES	1,730 26,112	759 26,112 4	849 15,211	90 10,901-	881 10,901	49.08 58.25	1,478 13,966	profile correct?
	E14 CLEANING & CARETAKING	27,842	26,871	16,060	10,811-	11,782	57.68	15,444	
25007	WATER SERVICES	3,500	1,540	2,144	604	1,356	61.26	3,004	Make sure these
	E15 WATER & SEWERAGE	3,500	1,540	2,144	604	1,356	61.26	3,004	costs are based on actual meter
22003 22016 22017	GAS ELECTRICITY CLIMATE CHANGE LEVY	6,000 8,500 800	2,640 3,740 352	2,084 2,715 270	556- 1,025- 82-	3,916 5,785 530	34.73 31.94 33.75	5,066 8,032 654	readings rather than estimates
	E16 ENERGY COSTS	15,300	6 , 732	5,069	1,663-	10,231	33.13	13,752	
24002	BUSINESS RATES	22,801	22,801	22,801	0	0	100.00	20,602	
	E17 RATES	22,801	22,801	22,801	0	0	100.00	20,602	
21218 21315 27005	SECURITY – CYCLICAL MISCELLANEOUS – H & S REFUSE COLLECTION/DISPOSAL	500 100 1,600	220 44 656	0 0 615	220- 44- 41-	500 100 985	.00 .00 38.44	0 0 1,456	

REPORT NUMBER: V1-PRI5

PAGE: 0003

incorrect. A virement could be actioned to correct the profile budget.

EMAIL : ANYWHERE.HEAD.PRIMARY

SCHOOL COST CENTRE: 3111

BUDGET MONITORING REPORT

FOR: ANYWHERE PRIMARY

EAST RIDING OF YORKSHIRE COUNCIL

FOR: PERIOD 6 SEPTEMBER 2015/16

		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	
27017	SCHOOLS HYGIENE SERVICES	0	0	141	141	141-	.00	0	
	E18 OTHER OCCUPATION COSTS	2,200	920	756	164-	1,444	34.36	1,456	
	TOTAL PREMISES EXPENSES	80,563	62,791	49,966	12,825-	30,597	62.02	72,318	No budget. A
	BOOKS, STAT'NRY, MATERIALS, EQUIP ET								virement will need to be done to add budget if the
41501 41601	EQUIPMENT-PURCHASES FURNITURE & FURNISHINGS-PURCH	1,000	440 220	637 250	197 30	363 250	63.70 50.00	353 1,180	expenditure is correct
41702 41720 44028	BOOKS & PUBLICATIONS EDUCATIONAL MATERIALS SCH CURRIC PRINTED & REPRO	0 - 18,550 8,000	0 8,162 3,520	<mark>1,436</mark> 6,752 4,433	1,436 1,410- 913	1,436- 11,798 3,567	.00 36.40 55.41	0 19,593 7,261	See I12 for
45144 45150	SCHOOLS EDUCATIONAL VISITS OTHER SERVICE CHARGES	93 5,445	39 2,398	93 2,068	54 330-	0 3,377	100.00 37.98	16,770◀ 9,126	income
	E19 LEARNING RES (NOT ICT)	33,588	14,779	15,669	890	17,919	46.65	54,283	Example of where there is a negative
46002 46080	ICT CONSUMABLES ICT HARDWARE ACQUISITION	1,000 3,000	440 1,320	336 4,447	104- <mark>3,127</mark>	664 1,447-	33.60 ◀ 148.23	941 5,950	budget remaining. This means that
46081 46090	ICT HARDWARE MAINT & SUPPORT ICT SOFTWARE ACQUISITION	500 3,000	220 1,320	120 <mark>0</mark>	100- 1,320-	380 3,000	24.00	0 1,066	more than the full year budget has
46091 46093	ICT SOFTWARE MAINT & SUPPORT ICT SOFTWARE LICENSES	6,000 1,000	2,640 440	5,950 298	<mark>3,310</mark> 142-	50 702	99.17 29.80	10,624 799	been spent - in this case by month 6
46105	SCHOOLS BROADBAND CHARGES	4,495	1,843	4,495	<mark>2,652</mark> ◀	0	100.00	4,495	
	E20 LEARNING RESOURCES (ICT)	18,995	8,223	15,646	7,423	3,349	82.37	23,875	Variance to Date is probably due to the budget profile being

REPORT	NUMBER: V1-PRI5	EAST 1	RIDING OF YOF	RKSHIRE COUN	CIL	RUN DAI	TE: 09/10/2015	PAGE: 0004	
EMAIL	: ANYWHERE.HEAD.PRIMARY	В	JDGET MONITOF	RING REPORT					
SCHOOL	COST CENTRE: 3111		: ANYWHERE PF : PERIOD 6 SE		5/16				
		BUDGET FOR YEAR A		TO DATE	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	
	TOTAL BOOKS, STAT'NRY ETC	52,583	23,002	31,315	8,313	21,268	59.55	78,158	
	SUPPLIES & SERVICES								
	E21 EXAMINATION FEES	0	0	0	0	0	.00	 0	
41701 44004 44010	MATERIALS & CONSUMABLES OTHER GENERAL OFFICE EXPENSES PRINTING AND REPROGRAPHICS POSTAGES	300 900 2,000	396 880	62 503 427	70- 107 453-	397 1 , 573	55.89 21.35	396 945 1,803	No spend to date. Has this
46016 46102 46103 46106	LINE RENTALS	609	132 269 396 1,782	<mark>0</mark> - 304 290 634		305	.00 49.92 32.22 15.67	376 0 1,204 3,442	been miscoded elsewhere?
49203	SCHOOLS NON-CURRICULUM ICT SUBSCRIPTIONS	2,826	1,243	110	1,133-	2,/16	3.89	2,520	
	E22 ADMIN SUPPLIES	11,882	5,230		2,900-		19.61	10,686	
28003 45170	PREMISES INSURANCE PUBLIC LIABILITY INS PREMIUMS	2,151 4,973	2,151 4,973	2,775 4,350	624 623-	624- 623	129.01 87.47	2,126 645	
	E23 OTHER INSURANCE PREMIUMS	7,124			1		100.00	2,771	
41713	BEFORE & AFTER SCH CLUB MATERI	600	264	44	220-		7.33	201	
	E24 SPECIAL FACILITIES	600	264	44	220-		7.33	201	
42014 42020 42022 42024 43001		24,000		9,357 393 <mark>0</mark>	123 1,203- 487- 440- 27	14,643 1,607 1,000	19.65 .00	20.393	

REPORT NUMBER: V1-PRI5 EAST RIDING OF YORKSHIRE COUNCIL RUN DATE: 09/10/2015 PAGE: 0005

EMAIL : ANYWHERE.HEAD.PRIMARY

BUDGET MONITORING REPORT

SCHOOL COST CENTRE: 3111

FOR: ANYWHERE PRIMARY

FOR: PERIOD 6 SEPTEMBER 2015/16

		BUDGET FOR YEAR A	BUDGET TO DATE B		VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL
	E25 CATERING SUPPLIES	27,850	12,254	10,274	1,980-	17,576	36.89	22,993
12302	SCH AGENCY SUPPLY TEACHING STA	0	0	<mark>644</mark>	644	644-	.00	14,740
	E26 AGENCY STAFF	0	0	644	644	644-		14,740
45013 45145 51035	EXT COURSE PROVISION CURRIC	2,500 9,475 11,564	4,169	3,015	1,154-	6,460	10.00 31.82 25.73	2,375 9,775 8,507
	E27 BOUGHT IN PROF SERV-CURRIC	23,539	10,357				26.51	20 , 657
45146 51037	EXT COURSE PROVISN NON-CURRIC NON-CURRICULUM SUPPORT	0 10,937			699 784	5,669	48.17	250 9,753
	E28 BOUGHT IN PROF SERV-OTHER	10,937			1,483		54.56	10,003
	E29 LOAN INTEREST	0	0	0	0	0	.00	0
86001	DIRECT REVENUE FINANCING	0	0	0	0	0	.00	10,050
	E30 DIRECT REVENUE FINANCING	0	0	0	0	0	.00	10,050
	TOTAL SUPPLIES & SERVICES	81,932			7,733-		39.03	92,101
	**** GROSS EXPENDITURE ****	1,386,333			21,610-		49.77	1,369,290
	INCOME							
92381	HIGH NEEDS TOPUP OTHER LA DFE	0	0	0	0	0	.00	347-

REPORT NUMBER: V1-PRI5

EMAIL : ANYWHERE.HEAD.PRIMARY

BUDGET MONITORING REPORT

FOR: ANYWHERE PRIMARY

SCHOOL COST CENTRE: 3111

FOR: PERIOD 6 SEPTEMBER 2015/16

EAST RIDING OF YORKSHIRE COUNCIL

RUN DATE: 09/10/2015

PAGE: 0006

		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL
	103 HIGH NEEDS TOPUP FUNDING	0	0	0	0	0	.00	347-
	105 PUPIL PREMIUM	0	0	0	0	0	.00	0
	106 OTHER GOVERNMENT GRANTS	0	0	0	0	0	.00	0
92270	OTHER REIMBURSEMENTS	0	0	0	0	0	.00	400-
	107 OTHER GRANTS & PMTS RECVD	0	0	0	0	0	.00	400-
932D1 932D2	BEFORE/AFTER SCHL CLUB INCOME SCHOOL MUSIC TUITION	12,000- 400-	5,280- 176-	● 330-	<mark>5,280</mark> 154-	12,000- 70-	.00 82.50-	12,390- 0
	108 INCOME FROM FACIL & SERV	12,400-	5,456-	330-	5,126	12,070-	2.66-	12,390-
93149	SCHOOL MEALS-PUPIL	19,000-	8,360-	8,592-	232-	10,408-	45.22-	27,620-
	109 INCOME FROM CATERING	19,000-	8,360-	 8,592-	232-	10,408-	45.22-	27,620-
92234	INS-REIMBURSEMENT (TEACHING)	0	0	0	0	0	.00	1,900-
	I10 RECEIPTS-SUPPLY TEACH INS	0	0	0	0	0	.00	1,900-
92235	INSUR CLAIMS NON-TEACH ABSENCE	0	0	<mark>349-</mark>	349-	349	.00	5,635-
	I11 RECEIPTS-OTHER INS CLAIM	0	0	349-	349-	349	.00	 5,635-
93225	EDUCATIONAL VISITS	0	0	<mark>295-</mark>	295-	295	.00	19,205-
	112 INCOME FROM CONTRIBUTIONS	0	0	295-	295-	295	.00	19,205-
92390	DONATIONS	300-	300-	0	300	300-	.00	1,155-
	I13 DONATIONS & PRIVATE FUNDS	300-	300-	0	300	300-	.00	1,155-
	115 PUPIL FOCUSED EXT SCH FUND	0	0	0	0	0	.00	0

No income coded here to date. Is the school still expecting this income? Has it been miscoded elsewhere?

REPORT	NUMBER: V1-PRI5	EAST R	IDING OF YOR	KSHIRE COUNC	CIL	RUN DAI	TE: 09/10/2015	PAGE: 0007	
EMAIL	: ANYWHERE.HEAD.PRIMARY	В	UDGET MONITO	RING REPORT					
SCHOOL	COST CENTRE: 3111		ANYWHERE PR PERIOD 6 SE		5/16				
		BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL	
	****** TOTAL INCOME ******	31,700-	14,116-	9,566-	4,550	22,134-	30.18-	68,652-	
l	** NET EXPENDITURE (REVENUE)**	1,354,633	697,508		17,060-	•	50.23	1,300,638	Schools Reserves
	RESERVES & CONTINGENCIES								should reflect the anticipated year end position. A
79001	SCHOOL RESERVES	91,014 🗲	0	0	0	91,014	.00	0	minus reserve
	B01 SCHOOL RESERVES	91,014	0	0	0	91,014	.00	0	figure would reflect a year end deficit
	TOTAL EXPENDITURE (REVENUE)	1,445,647	697,508	680,448	17,060-		47.07	1,300,638	
					=				
				co bi cc	his shows the sch underspending mpared to the pro- budget (column E Note – if the profi udget on some de odes is incorrect t this can distort th profile variance	filed 3). le etail hen ne			

REPORT NUMBER: V1-PRI5	EAST H	RIDING OF YOR	KSHIRE COUNC	CIL	RUN DAT	E: 09/10/2015	PAGE: 0008
EMAIL : ANYWHERE.HEAD.PRIMARY	I	BUDGET MONITO	RING REPORT				
SCHOOL COST CENTRE: 3111		: ANYWHERE PR : PERIOD 6 SE		5/16			
	BUDGET FOR YEAR A	BUDGET TO DATE B	ACTUAL TO DATE C	VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL
EXTENDED SCHOOLS-COMMUNITY FOCUSS	ED ONLY						
E31 COMM FOCUS SCH STAFF	0	0	0	0	0	.00	0
E32 COMM FOCUS SCH COSTS	0	0	0	0	0	.00	0
**** GROSS EXPENDITURE ****	0	0	0	0	0	.00	0
I16 COMM FOCUS SCH FUND/GRANT	0	0	0	0	0	.00	0
117 COMM FOCUS SCH FAC INC	0	0	0	0	0	.00	0
******* INCOME *******	0	0	0	0	0	.00	0
** NET EXPENDITURE (EXT SCH)**	0	0	0	0	0	.00	0
RESERVES & CONTINGENCIES							
B06 COMM FOCUS SCH BALANCES	0	0	0	0	0	.00	0
TOTAL EXPENDITURE (EXT SCH)	0	0	0	0	0	.00	0
TOTAL SCHOOL PLUS EXT SCH	1,445,647	697,508	681,092	16,417-		47.11	1,300,638

REPORT	NUMBER: V1-PRI5	EAST	RIDING OF YC	RKSHIRE COUN	CIL	RUN DAI	E: 09/10/2015	PAGE: 0009
EMAIL	: ANYWHERE.HE		BUDGET MONIT	ORING REPORT				
SCHOOL	COST CENTRE: 3111		R: ANYWHERE P R: PERIOD 6 S		5/16			
		BUDGET FOR YEAR A	BUDGET TO DATE B		VARIATION TO DATE C-B		% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL
	CAPITAL							
21052	SCH DEVOLVED CAPITAL-PREMISES	8,769	8,769	4,343	4,426-	4,426	49.53	10,051
	CE02 NEW CONSTR CONV/RENOV	8,769	8,769	4,343	4,426-	4,426	49.53	10,051
	CE03 VEHIC PLANT EQPT/MACH	0	0	0	0		.00	0
	CE04 ICT	0	0	0	0	0	.00	0
	**** GROSS EXPENDITURE ****	8,769	8,769	4,343	4,426-	4,426	49.53	10,051
	CI01 CAPITAL INCOME	 0	0	0	0	0	.00	0
	CI02 LOANS	0	0	0	0	0	.00	0
	CI03 PRIVATE INCOME	0	0	0	0	0	.00	0
	CI04 DIRECT REVENUE FINANCING	0	0	0	0	0	.00	0
	******* INCOME *******	0	0	0	0	0	.00	0
	** NET EXPENDITURE (CAPITAL)**	8,769	8,769		4,426-			10,051
	GRAND TOTAL FOR SCHOOL BUDGET	1,454,416	706,277				47.13	1,310,689

REPORT NUMBER: V1-E	PRI5
---------------------	------

EAST RIDING OF YORKSHIRE COUNCIL RUN DATE: 09/10/2015 PAGE: 0010

EMAIL : ANYWHERE.HEAD.PRIMARY

BUDGET MONITORING REPORT

SCHOOL COST CENTRE: 3111

FOR: ANYWHERE PRIMARY FOR: PERIOD 6 SEPTEMBER 2015/16

		BUDGET FOR YEAR A	BUDGET TO DATE B		VARIATION TO DATE C-B	BUDGET REMAINING A-C	% OF BUDGET UTILISED C/A X 100 ?	LAST YEAR TOTAL
	CATERING MEMORANDUM							
12251 12252	SCHOOLS CATERING STAFF PAY SCHOOLS CATERING STAFF NI	17,000 214		8,784 150		8,216 64	51.67 70.09	19,227 371
12252	SCHOOLS CATERING STAFF NI SCHOOLS CATERING STAFF LGPS	2,676					52.09	1,636
	E06 CATERING STAFF	19,890	9,948	10,328	380	9,562	51.93	21,234
42014	OTHER CATERING COSTS	550	242	365	123	185	66.36	197
42020	FOOD	24,000	10,560	9,357	1,203-	14,643	38.99	20,393
42022	CATERING EQUIP-PURCHASES	2,000			487-			1,907
42024	CATERING EQUIP-R & M	,	440		440-	•	.00	393
43001	CLOTHING AND UNIFORMS	300	132	159	27	141	53.00	103
	E25 CATERING SUPPLIES	27,850	12,254	10,274	1,980-	17,576	36.89	22,993
	***** EXPENDITURE *****	47,740	22,202	20,602	1,600-	27,138	43.16	44,227
93149	SCHOOL MEALS-PUPIL		8,360-				45.22-	27,620-
	109 CATERING INCOME		8,360-					27,620-
	******* INCOME *******	19,000-	8,360-	8,592-	232-	10,408-	45.22-	27,620-
	***** NET POSITION *****		13,842	•		•	41.79	16,607

Interpretation of Monitoring Report

1. Column A:- Budget for year:

Represents the spending plans for the school for the full financial year. These are extracted from the school's 3 year plan and subsequently changed when the school submits virement forms.

2. Column B:- Budget to date:

Represents the profiled spending anticipated for the school for the period of the report (i.e. September = 6 months of year) (Some areas of the budget we know are paid in a specific month i.e. insurance premiums are paid in period 2 so the profiled budget would show the entire budget in period 2.)

3. Column C:- Actual to date

Represents the actual spend to date for the first 6 months of the year.

4. Column C- Column B:- Variation to date

Represents the difference between the actual spend and the profiled spend.

5. Column A- Column C:- Budget remaining

Represents the budget for the year less the actual spend to date, giving the budget left to spend by the end of the financial year. Towards the end of the financial year (say December onwards) it is good practice to look at the Budget Remianing column and ask the question "Will we spend all of this remaining budget?" "Will we overspend?" Re income: "Will we get this amount of income in?" "Will we overacheive the budgeted income?"

6. % of budget utilised

Represents the % spent of the actual against the full year budget (i.e. at month 6 (September) approx 50% should be spent.

7. Last Year Total

Represents the actual spend for the previous year, and can be useful to compare with the budget set for the current year.

8. Figures highlighted in blue -

These are examples of codes where there is expenditure or income but no budget. These could be miscodings, in which a case journal request would need to be completed to correct this. If the coding is correct, then a virement needs to be done to add budget to the code.

9. Figures highlighted in green -

These are examples of codes where there is budget but no expenditure or income. It needs to be investigated whether spend/income has been miscoded elsewhere and a journal request completed to correct this if this is the case. If there are no miscodings then consideration needs to be given to whether the budget is still required on this code and a virement request completed to profile the budget to better reflect when spend/income is expected.

10. Figures highlighted in pink -

These are examples of codes which have large variances - these need to be investigated.

Pay variances – checks can be made to the transaction report from Masterpiece and the 5 year plan in Orovia to ensure that only the school's own staff are being coded here and that they are being paid the correct amount. The staffing budgets should show no significant variance if scale points, hours, start and finish dates have been entered correctly. Any anomalies will need to be investigated and corrected.

Other variances – there can be a number of reasons for such variances:-

- Expenditure or income miscoded elsewhere a journal can be processed to correct this
- The profile budget (Budget to Date column B) is incorrect and doesn't reflect when expenditure/income has happened

 a virement can be processed to adjust the profile. It can be difficult to anticipate spending patterns at the start of the
 year, especially on items like repairs and maintenance as this spend can occur at any point during the year, unlike Pay
 where the spend will be similar each month.
- If the code is overspent against the profile budget and/or the annual budget consideration needs to be given to whether to add extra budget to the code
- If the code is underspent against the profile budget and/or the annual budget consideration needs to be given to whether budget could be vired elsewhere
- If no expenditure/income has been coded to a budget consideration needs to be given to whether the budget is still required. A virement can be processed to move the budget elsewhere if this is the case.

A virement is the movement of a budget between one budget and another

A profiled budget is anticipating the spending pattern of the budget over the year i.e. monthly, yearly, quarterly, one off payments.

0

		-	1	
1	0	ŏ	1	
6		2		
1		2	1	
	-		1	
1	-	2	•	
1	ç	5	>	
	1		•	

R SEPT 18 +			-
18 +			L M Schools
	ar ' ələşi	* *	寺殿 →

		2,478,924				
ESTIMATE			5,000		TRAINING / COURSE FEES	AE09
ESTIMATE			3,000		STAFF SUBSISTENCE / WELLBEING	AE08
30 CHECKS INCLUDING ADMIN FEE			1,560		DBS / CRB CHECK CHARGES	AE08
0.5% OF NATIONAL INSURANCEable PAYROLL COST			10,799		APPRENTICE LEVY	AE08
WILL INCLUDE ANY ADVERTS / WORK PERMITS / INTERVIEW EXPENSES			2,500		ADVERTS / RECRUITMENT / RETENTION COSTS	AE08
AS PER SALARY CALCULATIONS			62,528		MID-DAY SUPERVISORS - including absence cover	AE07
REVISED ESTIMATE FOR ALL MEETINGS TO BE MINUTED - 8 PER TERM			2,500		GOVERNING BODY CLERK / CORRESPONDENT	AE05
AS PER SALARY CALCULATIONS			124,881		ADMIN STAFF - Salaries	AE05
AS PER SALARY CALCULATIONS			51,471		CLEANERS - Salaries	AE04
ESTIMATE INCLUDING 2 WEEKS AGENCY COVER			2,233		CARETAKER / SITE MANAGER - Overtime & Lettings	AE04
AS PER SALARY CALCULATIONS			41,265		CARETAKER / SITE MANAGER - Salaries	AE04
NO - ADDITIONAL HOURS OR OVERTIME FOR EMPLOYEES FOR COVER			0		CLASSROOM SUPPORT STAFF - Additional hours / Overtime	AE03
AS PER SALARY CALCULATIONS			519,537		CLASSROOM SUPPORT STAFF - Salaries	AE03
			14,700		SUPPLY TEACHERS TOTAL	AE02 / DE26
NONE				0	VACANT POST	
40 DAYS PER TERM SUMMER THEN 15 DAYS VMD TO COVER SEPT 18 +				14,700	SHORT TERM ABSENCE	
					SUPPLY TEACHERS	
AS PER SALARY CALCULATIONS			1,636,949		TEACHING STAFF SALARIES	AE01
					(01) STAFF RELATED COSTS	
					Expenditure - Revenue	
						2
SINCE LAST DRAFT	change					
REASONS FOR CHANGES	* budget	TOTAL	TOTAL	Totals	E BUDGET AREA	AGRESSO CODE
COMMENTS/	of	HEADING	ACCOUNT	Sub		
	Amount	BUDGET	BUDGET			
TES THAT THE BUDGET LINE HAS CHANGED SINCE THE PREVIOUS PLAN	* INDICATES THA					
	10th May 18	Date		I Rights Reserved	LMS Ltd Budget planning spreadsheet ©2018 Local Management Support Limited. All Rights Reserved	LMS Ltd Budget p
Schools						
	One a	Plan				

BUDGET PLAN

Financial Year 2018/19



Page 2 of 64

	AE03 DE19 DE30	DE25 DE27 DE27 AE09	AE06 DE25 DE25 DE25 DE25 DE25 DE25	DE24 VE08	DE27 VE08	DE19 VE12	DE19 VE12	AE07 VE08	AGRESSO CODE
EXPENDITURE TOTAL	PUPIL PREMIUM EXPENDITURE DONATIONS - use of DIRECT REVENUE FINANCING (Revenue contributions to capital)	(06a) OTHER BUDGETS SCHOOL MILK SPORTS PREMIUM EXPENDITURE EARLY YEARS PREMIUM EXPENDITURE HT CONFERENCE	(06) CATERING COSTS CATERING STAFF SALARIES CATERING STAFF - OVERTIME/ADDITIONAL HRS KITCHEN AGENCY STAFF KITCHEN MAINTENANCE FOOD KITCHEN CLEANING SUPPLIES & DEEP CLEAN CATERING - CONSULTANCY FEES CATERING - OTHER COSTS OTHER	STAFF CLUBS Expenditure Income Balance	MUSIC TUITION Expenditure Income Balance	SCHOOL TRIPS Expenditure Income Balance	SCHOOL JOURNEY this yr Expenditure Income Balance	(05) IN AND OUT BUDGETS SPORTS CLUBS Income Balance	BUDGET AREA
					1,000	00	2,000		Sub Totals
	0 0 0 86£'66	1,250 30,657 5,748	92,612 5,000 5,000 25,000 64,600 4,000 4,000 33,731 2,000 0		1,000	0	2,000	0	BUDGET ACCOUNT TOTAL
3,239,772	137,053		3,000						BUDGET HEADING TOTAL
									Amount of * budget change
	SPEND BY AUG 18 WHERE REVENUE COSTS	ESTIMATE USE OF ESTIMA USE OF ESTIMA	SALARY + NI + P OVERTIME OR A COVER ESTIMATE £8.50 85P PER MEAL X ESTIMATE AS PER AGREEN		SUBSIDY	NO SUBSIDY	SUBSIDY	NO SUBSIDY	•
	SPEND BY AUG 18 WHERE REVENUE FUNDS ARE MOVED INTO THE CAPITAL AREA TO FUNDS CAPITAL COSTS	ESTIMATE USE OF ESTIMATED GRANT + BALANCE FROM 2017/18 £8,102 USE OF ESTIMATED GRANT VET TO BE ADVISED	SALARY + NI + PENSION COSTS FOR DIRECTLY EMPLOYED CATERING STAFF OVERTIME OR ADDITIONAL HOURS FOR DIRECTLY EMPLOYED CATERING STAFF COVER ESTIMATE £8,500 + £17,913 B/F FROM LAST YR - UNSPENT FUNDS TO BE C/F ESTIMATE £8,500 + £17,913 B/F FROM LAST YR - UNSPENT FUNDS TO BE C/F ESTIMATE £8,500 + £17,913 B/F FROM LAST YR - UNSPENT FUNDS TO BE C/F ESTIMATE £8,500 + £17,913 B/F FROM LAST YR - UNSPENT FUNDS TO BE C/F AS PER MEAL X 400 X 190 DAYS						COMMENTS/ REASONS FOR CHANGES SINCE LAST DRAFT

3

Page 3 of 64

AGRESSO CODE **REVENUE FUNDS - USEFUL OTHER INFORMATION** YE91 YE01 TE01 TE03 TE03 TE04 TE05 TE05 TE18 TE18 TE18 VE08 VE08 VE09 VE11 VE13 FUNDS REMAINING WITHOUT BALANCE B/F (11) PLANNED UNCOMMITTED REVENUE BALANCE at YEAR EN (10) COMMITTED FUNDS IN REVENUE BALANCE ADDITIONAL STAFFING CONTINUE INTO YR 2 OF 3 YR PLAN ADDITIONAL STAFFING CONTINUE INTO YR 3 OF 3 YR PLAN (9) REVENUE FUNDS - PLANNED BALANCE REMAINING BALANCES - COMMITTED REVENUE BALANCES - UNCOMMITTED REVENUE INSURANCE CLAIMS FOR OTHER STAFF SICKNESS/ MATERNITY DONATIONS (8) BALANCES FROM LAST YEAR - Revenue INCOME TOTAL INSURANCE CLAIMS FOR TEACHER SICKNESS/ MATERNITY SCHOOL MEALS INCOME LETTINGS - School House Rental (other than caretaker) EXTENDED DAY BALANCE TO REVENUE BUDGET JNIVERSAL MEALS FUNDING SPORTS PREMIUM / PE GRANT EARLY YEARS PREMIUM funding - Deprivation premium PUPIL PREMIUM funding - FSM / Deprivation MINORITY ETHNIC PUPILS funding (EAL) HIGH NEEDS topup - Mainstream SCHOOLS & EARLY YRS BLOCKS less de-delegation & EAL (TEO4) (07) INCOME Income - Revenue BUDGET AREA Totals Sub BUDGET ACCOUNT TOTAL UNDER -2,596,309 -120,470 -93,720 -99,636 -14,102 -60,055 -62,146 -152,49C -13,000 -22,555 -6,643 -3,088,636 BUDGET HEADING TOTAL -152,490 151,135 -1,355 -1,355 0 233,569 EARLY YEARS BLOCK Amount SCHOOLS BLOCK budget change INSURANCE CLAIMS FOR OTHER STAFF SICKNESS & MATERNITY COVER INSURANCE CLAIMS FOR TEACHER SICKNESS & MATERNITY COVER X 2 SUMMER 18 INCLUDED IN SCHOOLS BLOCK TOTAL ESTIMATE OF EVER 6 PUPIL TOTAL @ JANUARY CENSUS HIGH NEEDS SEN STATEMENTS TO DATE PLANNED UNCOMMITTED REVENUE BALANCE INCOME FOR SCHOOL MEALS 140 PER DAY @ £2.30 BALANCE DUE FROM EXTENDED CARE - CLEANING AND OTHER COSTS MONTHLY INCOME FROM FEB 2017 @ £1,175 £2.30 PER MEAL FOR RECEPTION, YR 1 & 2 - BASED ON CENSUS RETURNS OCT/JAN DFE GRANT LUMP SUM £16,000 + AMOUNT PER PUPIL £10 CHANGES IN FUNDING RESULTING FROM ACTUAL TERMLY CENSUS RETURNS SCHOOL BUDGET SHARE + EARLY YEARS BLOCK (Nursery) less MINORITY ETHNIC FUNDING TO BE ADVISED REASONS FOR CHANGES SINCE LAST DRAFT COMMENTS/

93,720 PUPIL PREMIUM FUNDING TOTAL FOR YEAR (not incl LAC) 0 EARLY YEARS PREMIUM FUNDING TOTAL FOR YEAR

SPORTS PREMIUM TOTAL FUNDING FOR THE YEAR

22,555

233,569 2,483,210 6,643 93,720 99,636 2,916,777

HIGH NEEDS BLOCK

PUPIL PREMIUM ESTIMATE ON FUNDING CERTIFICATE

PLANNED REVENUE BALANCE % OF FUNDING TOTAL

FUNDING TOTAL

UNIVERSAL MEALS GRANT INCOME

-0.05%

-

Printed 10/05/2018]

Page 4 of 64

	YE03 YE05		VE14 VE17	DE32 / DE34	AGRESSO CODE
(15) PLANNED CAPITAL BALANCE at YEAR END	(14) BALANCES FROM LAST YEAR - Capital BALANCES - DEVOLVED FORMULA CAPITAL BALANCES - OTHER CAPITAL	FUNDS REMAINING WITHOUT BALANCE B/F	(13) INCOME CAPITAL INCOME - DEVOLVED FORMULA CAPITAL (DFC) CAPITAL - DIRECT REVENUE FINANCING	CAPITAL (12) EXPENDITURE DEVOLVED FORMULA CAPITAL(DFC) - EXPENDITURE	BUDGET AREA
					Sub Totals
UNDER	-602 0		0.0	602 2	BUDGET ACCOUNT TOTAL
0	-602	602	0	602	BUDGET HEADING TOTAL
					Amount of change
	DFC MAIN GRANT		DFC GRANT £4,000 LUMP SUM PER SCHOOL + £11.25 PER PUPIL CONTRIBUTIONS/PAYMENTS + FUNDING AND GRANTS (equates to debit shown in revenue)	TOTAL DFC AVAILABLE INCLUDING BALANCES B/F	COMMENTS/ REASONS FOR CHANGES SINCE LAST DRAFT

-

AGRESSO CODE VE27 TE16 VE27 TE16 DE41 DE42 DE41 DE42 YE06 YE06 FUNDS REMAINING WITHOUT BALANCE B/F EXTENDED DAY - staff related / salaries EXTENDED DAY - other expenditure COMMUNITY FOCUSSED (19) PLANNED COMMUNITY FOCUSSED BALANCE at YR END 2 YR OLD CENTRE 2 YR OLD CENTRE - Parental / Family Payments INCOME 2 YR OLD CENTRE - Grants & Funding INCOME EXTENDED DAY - Parental / Family Payments INCOME BALANCE FROM 2017/18 MOVED TO REVENUE BUDGET EXTENDED DAY (18) BALANCES FROM LAST YEAR (17) INCOME (16) EXPENDITURE YR OLD CENTRE - other expenditure YR OLD CENTRE - staff related / salaries BUDGET AREA Sub Totals BUDGET ACCOUNT TOTAL UNDER -78,090 60,055 58,716 2,000 132,233 2,000 -33,999 -85,790 -60,055 BUDGET HEADING TOTAL -137,824 57,125 194,949 -60,055 2,930 Amount of budget change PARENTAL/FAMILY PAYMENTS FUNDING AND GRANTS PARENTAL/FAMILY PAYMENTS BALANCE FROM 2017/18 MOVED TO REVENUE BUDGET DIRECTLY EMPLOYED STAFF SALARY, NI AND PENSION COSTS RESOURCES AND OTHER OPERATIONAL COSTS DIRECTLY EMPLOYED STAFF SALARY, NI AND PENSION COSTS RESOURCES AND OTHER OPERATIONAL COSTS COMMENTS/ REASONS FOR CHANGES SINCE LAST DRAFT

Page 6 of 64

Financial Management Policy

St Jude's Catholic Primary School

<u>AIM</u>

To manage the finances in an efficient, controlled and cost-effective manner which will support the school's efforts in raising pupils' achievement.

OBJECTIVES

- To clearly define the areas of responsibility for Governors, Head Teacher, other staff and Local Management Support Limited.
- To show how income and expenditure are controlled.
- To identify how the budget is set and how the priorities for the financial year are arrived at.
- To enable Governors to identify a clear, direct link between the financial priorities and the School's Improvement Plan.
- To identify the security procedures for cash control, computerised procedures, data storage and documentation.
- To identify the procedures for implementing the LEA's Financial Regulations.

ABBREVIATIONS USED

- LMS Local Management Support Ltd
- HT Head Teacher
- DHT Deputy Head Teacher
- AO Admin Officer
- AA Admin Assistant
- SMT Senior Management Team
- SDP School Development Plan
- LA Local Authority
- GB Governing Body
- FC Finance Committee

RESPONSIBILITIES

The school employs the services of LMS to provide a site visit once a week during term time.

BUDGET SETTING

- An annual budget will be compiled by the HT, in conjunction with LMS between January and March each year. The budget will take into account historical costings, SDP priorities, initiatives and other known factors.
- The budget will show short-term and long-term planning and identify the factors that will influence them.
- The budget plan will be constructed to plan for future financial years according to the LA budget cycle
- The relevant parts of these plans will be reflected in the SDP
- The budget plan will be presented in a format for approval by the GB once the LA has confirmed the formula fund allocation for the financial year (by 31st March at the latest). All planning for future years will remain provisional throughout the planning process.
- The FC meets as soon as is practicable to discuss the draft budget plan once final funding is known. They may meet before this if necessary.
- The full GB will meet to approve the budget plan in the summer term each year in order that it can be submitted to the LA by 30th June.

BUDGET MANAGEMENT and MONITORING

- LMS Ltd will work with the HT to monitor as well as support the management of the budget.
- The GB is responsible for the management of the school with the day to day running being undertaken by the HT.
- The FC (where one exists) is responsible for setting and management of the budget with specific responsibilities, as detailed below, being delegated to the HT:
 - The HT is responsible for submitting the signed (HT and Chair of Governors) approved school budget plan to the LA (annually by 30th June) and budget monitoring information to the LA as required under LA Financial Regulations.
 - The HT has the responsibility for the day to day running of the budget
- LMS reconciles the AGRESSO (LA Accounting system) payroll information against the budget plan in a timely manner following their receipt from the LA and reports relevant discrepancies to the HT. The HT has a monitoring role and responds to the queries raised or ensures responses are provided by the relevant officers or departments. The budget plan will be updated if appropriate following the resolution of any queries on the payroll.

- The HT and LMS are System Managers for the RM Cash Accounts software and are responsible for the management of User access to the accounting system
- The HT may vire £2,000 between funds without referring to the FC for clearance first. This will be reported at the FC at the next meeting.
- Expenditure up to £2,000 which has not been identified in the current approved budget plan may be exercised by the HT without prior consultation of the GB / FC.
- Virements or expenditure above £2,000 which have not been identified in the current approved budget plan may be made with the approval of the Chair of GB in exceptional circumstances.
- The Capitation/Curriculum budget will be allocated by the HT in consultation with budget holders. Monitoring information will be supplied by LMS to the HT / budget holders as requested/agreed.
- Each subject co-ordinator will manage their curriculum area allocation. This will be overseen by the HT, who will keep the FC/GB informed regarding expenditure.
- The Supply Teacher budgets will be managed by the HT and monitoring information supplied to the HT by LMS.
- The HT is responsible for undertaking benchmarking comparisons, using the DCSF benchmarking website.

RELATED POLICIES

- The school has a Pay Policy, which will reflect its financial planning. This will be updated annually and will support the staff's annual salary assessment from the GB.
- The school has a signed Statement of Internal Control (SIC) which has been seen and approved by the governing body

BANK ACCOUNTS AND RELATED PROCEDURES

- LMS and the HT will administer the Official/Formula Fund Account.
- The HT maintains a list of all bank and building society accounts with authorised signatories for each.

- The Unofficial Account / Voluntary funds will be managed by the AO who will be directly responsible to the HT.
- All cheques from all accounts require two signatures at all times and these can be a combination of HT and/or DHT and one other authorised signatory.
- There are no cash limits other than the known available bank balance (which should always be checked first) for authorised cheques.
- Cheque books and/or pre-printed cheque stationary are kept securely in the strong room/safe.
- Bank statements are reconciled by LMS upon receipt by LMS with supporting documentation, to the RM Cash Accounts and verified by the an independent signature on the relevant documents
- Control sum reconciliations are undertaken with each reimbursement claims made. Claims are made to the LA on a regular basis by LMS from the accounting records and are verified by two of the schools authorised signatories (including the HT where possible) on the relevant documents.
- The HT will maintain a list of staff authorised by the GB to sign orders.
- The HT will maintain a list of staff authorised by the GB to certify invoices for payment.
- Stamps are purchased by the AO and kept under lock and key. Every stamp used is recorded, accounted for in a stamp book and a running total and balance maintained.
- All Unofficial / Voluntary funds are audited every year by an independent party in the autumn term and the certificate of audit presented to the GB at the next meeting where the audit is recorded in the minutes.
- Audit certificates for all unofficial / voluntary funds are submitted to the LA each year in line with LA Financial Regulations.
- The AO and LMS manage petty cash.
 - Recipients must:
 - receive verbal authorisation for the purchase
 - provide a valid receipt/invoice with a completed petty cash claim form
 - sign to say they have received the money.

- Petty cash expenditure is authorised by an authorised signature before the cash is dispensed.
- This signatory must be someone other than the recipient.
- All authorised/paid out petty cash expenditure is entered onto the RM Cash Accounts system by LMS.
- Out of pocket expenses over £25 will be reimbursed by cheque.
- LMS will visit school each week during term time to carry out financial procedures
- The school will ensure that appropriate training takes place to ensure that there are experienced staff to stand in for the AO should he/she be unable to work for any significant period of time.

COMPUTER/SECURITY MANAGEMENT

- School financial data is automatically backed up on a hard drive and a virtual server.
- LMS are responsible for taking and additional backup each week of the current financial year accounts data.
- LMS keep financial data back ups off site.
- Access to RM Cash Accounts is controlled by the System Manager and is set at levels appropriate to level of training and responsibility each user has. Access is password controlled.
- The HT and LMS are System Managers and have responsibility for managing the security of the system.
- The HT must be authorised the addition of new users and any changes to levels of access rights to the software before they are actioned.
- All system users passwords should be changed on a regular basis at least once per term.
- The HT will ensure that the school have an up-to-date Data Protection License.
- The Copyright License Holder is the HT. The monitoring of this is the responsibility of the HT.
- The school has a key/combination safe with a specified overall cash limit of limit of £1,000. Cash is paid into the bank at least once a week.

MANAGEMENT REPORTING PROCEDURES

- The HT receives weekly budget analysis reports from LMS.
- The HT in conjunction with LMS will provide the FC / GB with an up-dated budget plan and analysis of budget against expenditure/income where appropriate in the autumn and spring term.
- The HT in conjunction with LMS will provide the LA with budget monitoring information, in the format specified by the LA as requested by the LA.
- The FC (where on exists) will provide a financial report to the Governing Body at the meeting held each term.
- The Agenda for the FC will be set and circulated, at least one week prior to the date of the next meeting, to members and "posted" on the staff notice board.
- Accurate minutes of the FC meetings will be taken and also "posted" on the notice board unless confidential aspects are included.
- The HT's termly report to the GB will include an update of financial information.

PURCHASING

The aim when purchasing is to ensure that the school receives value for money.

- Anyone (all staff including teachers, admin staff, support staff, caretakers and cleaners) wishing to place an order must <u>complete</u> a School Order form / a requisition will be added by the AO, available from the Office. This should be passed to the HT or DHT who will authorise the purchase/s once the balance of the specified budget has been checked. The authorised order will then be passed to the AO who will enter the order onto the order log and print it. The printed order will then be authorised and posted/faxed/e-mail as appropriate.
- The HT maintains list of staff authorised by the GB to place/ sign orders.
- A list of staff authorised by the GB to certify invoices for payment is maintained by the HT.
- Telephone orders may only be placed by the HT, DHT or AO / Caretaker in exceptional circumstances, and must be followed up immediately by a standard printed / written order as confirmation.
- Delivery notes will be checked off against the items received by the AO, Welfare Assistant, Caretaker, Teacher, HT or DHT upon receipt of a delivery.
- Delivered items will not be removed from the School Office area until delivery notes are checked, even if they are addressed to a member of staff.
- Delivery notes will then be checked off against the printed authorised order and marked as such. The delivery note will then be attached to the order.
- Completed orders will be filed in the School Office in date order with the most recent order at the top.
- Payment of invoices will be authorised by the HT, DHT or AO and bills will be promptly paid providing delivery notes and orders have been satisfactorily cross checked.
- When signing cheques the HT and one other authorised signatory are presented with the relevant computer generated payment authorisation slips and a schedule of all cheques produced in that session including a list of invoices paid.
- All payments for services to individuals will be made through the LA's payroll system unless the school has agreed otherwise and has assured itself that the individual is entitled to be considered self employed in

respect of HMRC guidance. The school should use the HMRC Self Employed status web based toolkit to determine this and if necessary seek further advice from HMRC to confirm the individual's status. Documentation of these checks and a record of all related communications should be retained by the school in a separate file marked "Self Employed Staff".

- The requesting of inspection copies must be authorised by the HT or DHT and a possible budget with sufficient funds identified on the order for the inspection copy.
- All inspection copies must be checked in as invoiced goods, passed to the relevant person and a decision taken within ten days as to whether they will be kept. The school diary should have the tenth day noted to enable the AO to collect and return any items which are not wanted or where a decision is not made within ten days. A log of any current inspection copies should be maintained.
- It is the responsibility of the AO to ensure the copies are returned within 10 days if they are not to be kept.
- If Inspection Copy items are to be kept the relevant paperwork must be signed as such and passed to the AO immediately.
- All requisitions for repairs or maintenance should be treated as orders except in the case of emergencies where they may be treated as telephone orders
- Quotations/tenders must be obtained for all purchases in line with current LA Financial Regulations a copy of which is maintained in the school office. Currently all orders for more than £3,000 require some documentation to be obtained. Please refer to the LA Financial Regulations for further information.
- The HT is responsible for ensuring that all contracts are properly dealt with in terms of leasing regulations, EU procedures, Self Employment Status, VAT, and all other relevant matters included in LA Financial Regulations or other relevant documentation.
- When quotations have been obtained or tenders submitted, value for money and the quality of work, are the key factors which will inform the HT and FC/GB as they make their decision.
- The school will have a Pecuniary Interest Book, which will record staff knowledge of, or relationships with people concerned in providing any paid service to the school. This will be updated at least once per year and upon employment of any new staff to the school.

• The GB will ensure all member of the GB complete a LBH register of interest form. The GB will ensure this is updated at least once per year and upon appointment of any new governors.

<u>AUDIT</u>

- The school's funds and procedures will be audited by the LA / external auditors a regular basis for both Internal Audit and SFVS purposes.
- The Chair of Governors and Chair of Finance will be informed of all audit outcomes immediately.
- Any audit report will be presented to the GB at the next meeting and the Action Plan agreed and implemented.

INSURANCE

- The school will liaise with the LA to effect and review insurance arrangements. All risks will be reviewed annually to ensure appropriate insurance. Arrangements will cover the school grounds, property and the materials within.
- The school holds fidelity guarantee insurance for its unofficial / voluntary funds.

PERSONNEL

- The Pay Policy will be reviewed annually by the FC / Pay Committee and staff will receive a Salary Assessment academic year in line with their contract of employment.
- Payroll information is reconciled in a timely manner by LMS upon receipt of payroll information from the LA. The HT is responsible for ensuring the accuracy of the information and for informing the LA of any discrepancies.
- The HT, DHT or AO will check and authorise timesheets for weekly paid staff. A copy is kept on school files.

SECURITY OF STOCKS AND PROPERTY

• An inventory is maintained identifying all items to be insured worth over £200. This will identify the purchase of goods, place of location and cost of purchase or replacement.

- All items worth over £50 are security marked upon delivery.
- An annual physical check of the inventory is undertaken annually by the AO and Clerical Assistant. A copy of the inventory is printed/copied and each item marked as checked. The report is then dated and stored as evidence of the check
- A copy of the latest inventory is maintained off site.
- The school safe is combination/key controlled and is securely locked in an alarmed area. It is kept locked unless directly in use. Three members of staff have keys: HT, DHT and AO.

INCOME

- The transfer of money between school and staff i.e. petty cash etc is signed for.
- The AO securely retains receipts and other records of income.
- All monies collected are banked within one week.
- School trips the Administrative Assistant is responsible for the collection of monies. Payments are electronically recorded and receipts issued.
- No personal cheques are cashed in school / by the school.
- Monies deposited are reconciled to the sums collected.
- The AO will complete the Item Code and Accounting Code and a suitably detailed description for all income paid in via the LA's cash collection service.
- Music tuition monies are collected recorded and receipts issued by the AO. The AO then processes the income for banking via the LA's cash collection service.
- A copy of the LA bank paying in slip is made by the AO for all income (except School Meals and Milk) for LMS in order that it can be reconciled with the AGRESSO printout.
- Cheque payments made to the school that are to be paid into the official school funds via the LA cash collection service must be made out to "London Borough of Hounslow"

• The checking of entitlement to free school meals is the responsibility of the AA.

PETTY CASH

- Petty Cash is administered and managed by the AO,
- Sums paid out relate to small items of expenditure of less than £25. Payment to staff will only be made upon submission of a valid receipt and a COMPLETED petty cash slip. Petty cash expenditure is authorised by a valid signatory before the cash is dispensed by the AO. Recipients will sign to acknowledge receipt of the reimbursement
- Paid out petty cash expenditure is entered onto the school accounts by LMS each week during term time.
- The school has a maximum limit of £300 cash in the petty cash tin.
- All petty cash expenditure is included in the periodic reimbursement claims submitted to the LA.
- A reconciliation of petty cash is made each week during term time. A statement identifying the opening balance, expenditure during the input session and balance remaining in the petty cash tin is provided each week by LMS for the AO to check and is signed as checked by the AO. This statement is filed in the Petty Cash file.

UNOFFICIAL/VOLUNTARY FUNDS

- The Unofficial Fund is audited, independently annually and the audit certificate presented to the full governing body where its ratification should be minuted in the autumn term each year.
- A report on the account is made annually to the GB where the audit certificate is presented and a minute made.
- Two signatures are required on all cheques HT, DHT or AO.
- Bank account statements are reconciled by the AO to school records upon receipt. The statement is signed and dated by the AO and HT to verify it has been reconciled and checked independently.
- All income must be fully accounted for. Invoices / receipts for items of expenditure must be maintained and receipts provided for income received and.
- All income and expenditure must be recorded in a clear and transparent format which can easily be checked by the HT or audited.

October 2012

To be reviewed annually – October 2013

SIGNED: Chair of Governors.....

Head Teacher.....

DATE:....



School resource management selfassessment checklist

Support notes for 2023 to 2024

November 2023

Contents

What has changed in this edition	5
Submitting the 2023 to 2024 SRM Self-Assessment Checklist	7
Questions for the 2023 to 2024 SRM self-assessment checklist	8
A. Governance	8
1. Have the chief financial officer (CFO), accounting officer, chair of trustees and th governance professional read the Academy Trust Handbook (ATH) 2023?	he 8
2. Has the board assessed its composition in terms of skills, effectiveness, leadership and impact?	8
3. Does the Board have a plan in place to address any skills and knowledge gaps?	? 8
4. Has the board appointed the senior executive leader as accounting officer?	9
5. Has the board appointed a qualified and/or experienced chief financial officer (CFO)?	9
6. Has the board appointed a governance professional who is someone other than trustee, principal or chief executive of the trust?	na 9
7. Has the board met at least 3 times in the last year?	9
8. Has the trust held an Annual General Meeting (AGM) with members in the last 1 months?	12 10
9. Has the board approved a written scheme of financial delegation?	10
10. Does the trust have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	10
11. Does the trust have an audit and risk committee?	11
12. Does the board of trustees take overall responsibility for risk management?	11
13. Does the academy trust comply with the conflict of interest and related party transaction requirements outlined in the ATH?	12
14. Has the trust published its governance arrangements on its website?	12
Further information	12
B. Trust financial strategy	13
15. Has the board of trustees carried out a going concern assessment of the trust inform the basis of the financial statements?	to 13
16. Can the trust provide evidence that trustees approved the 3-year financial forecast before it was submitted to the ESFA?	13

	17. Can the trust provide evidence that trustees have compiled accurate budget forecasts?	13
	18. Has the board of trustees reviewed pupil number estimates each term and challenged them if required?	13
	19. If the trust has a cumulative surplus, has the board of trustees set a reserves policy for holding these surplus funds?	13
	20. If a cumulative deficit has been forecast within the three-year budget, is there plan to mitigate it?	a 14
	21. Does the trust take an integrated approach to curriculum and financial plannin	ig? 14
	22. Does the trust survey its physical estate and ensure appropriate capital provis for this in its budget?	ion 15
	23. Are trustees aware of their statutory duties under health and safety legislation	? 15
	24. Does the trust have an estate vision, strategy and asset management plan?	15
	25. Does the trust have an appropriate business continuity plan, including adequa insurance cover?	ite 15
	Further information	15
С	. Setting the annual budget	17
	26. Does the trust set a well-informed and balanced budget?	17
	27. Does the budget setting process allow sufficient time for the trust board to scrutinise and challenge the information?	17
	28. Can the trust act quickly to amend the budget if pupil numbers are significantly different from what was projected?	y 17
	29. Is income and expenditure in line with budget projections?	18
	30. Are in-year balances at a reasonable level?	18
	31. Does the trust have a clear plan for using the money it plans to hold in balance the end of the year?	e at 19
	Further Information	19
D	. Staffing	20
	32. Does the trust review and challenge its staffing structure regularly to ensure meet the needs of the trust and maintains financial integrity?	20
	33. Does the pay of senior leaders follow a robust evidence-based process?	20
	34. Does the trust benchmark the size of the senior leadership team in its schools annually against that of similar schools?	21

	35. Has the trust published on its website the number of employees whose total benefits exceeded £100k for the previous year ending 31 August?	22
	Further information	22
Е	. Value for money	23
	36. If the trust benchmarks its income and expenditure and that of its schools annually against similar trusts and schools, which of these possible actions has it taken afterwards?	23
	37. Does the trust have procedures for purchasing goods and services that both meet legal requirements and secure value for money?	25
	38. Are the trustees given the opportunity to challenge their trust's plans for replacing contracts for goods and services that are due to expire?	26
	39. What does the trust consider when replacing or renewing contracts?	27
	40. Does the trust consider collaboration with others if this would improve value for money, for example on sharing staff or joint purchasing?	or 27
	41. Does the trust seek to use DfE approved frameworks, where applicable, to ensure procurement compliance and value for money?	28
	Further information	28
F.	Protecting the public purse	30
	42. Are there any outstanding matters from audit reports?	30
	43. Has the trust adhered to the internal scrutiny arrangements defined in the ATH	ו? 31
	44. Does the trust regularly review its internal control arrangements to safeguard against fraud, theft and cybercrime by staff, contractors, suppliers and other third parties?	31
	45. Are all staff aware of the trust's whistleblowing arrangements and to whom the should report concerns?	ey 31
	46. Does the trust have an adequate accounting system that delivers accurate reports, including ESFA returns?	31
	Further information	33

What has changed in this edition

We have made a number of changes to the SRM Self-Assessment Checklist for 2023-24. This is because the Academy Trust Handbook 2023-24 has been simplified and because we have also undertaken an initial review of the SRM Self-Assessment Checklist. As part of this review, we explored how to help trusts further identify areas for change to make sure resources are used to support high-quality teaching and the best education outcomes for learners.

In response to feedback, we have introduced two multiple option questions which make clear expected practice, are quicker than writing free text responses and will provide trustees with transparency, detailed understanding of their trust's practices, and help them focus their challenge to trust leadership.

The material changes are:

Governance

- Updated language to reflect the requirement in the Academy Trust Handbook that trusts boards meet at least 3 times per year [Q7] and removed the follow up question.
- Updated language to reflect the requirement in the Academy Trust Handbook that audit and risk committees meet 3 times per year [Q11b]
- Added link to the Confederation of School Trusts' guidance documents to the further information section.

Trust financial strategy

- Introduced a question on academy trusts' reserves policy. [Q19]
- Provided more information on deficit recovery [Q20]
- Updated language to reflect the importance of integrated curriculum financial planning [Q21]
- Made Q22a and Q22b standalone questions to reflect the new emphasis which the Academy Trust Handbook places on good estates safety and management [Q23, Q24]

Setting the annual budget

- Split question on whether income and expenditure in line with budget projections into sub-questions to aid clarity [Q29]
- Updated language to focus on in-year balances [Q30]
- Split question on in-year balances and plans to use any money held in balance into two separate questions to aid clarity [Q30, Q31]

Staffing

• Clarified that trusts must publish the number of employees whose benefits exceeded £100k "for the previous year ending 31 August" [Q35]

Value for money

- Introduced a multiple option question to ask about the actions which academy trusts have undertaken after benchmarking [Q36]
- Removed the question on whether the trust has considered the results of the selfassessment dashboard or other DfE benchmarking tools.
- Clarified language around trustees challenging "their trust's plans" rather than "their staff's plans". [Q38]
- Introduced a multiple option question to ask about the actions which academy trusts have undertaken after reviewing plans for replacing contracts [Q39]
- Clarified language around use of DfE approved frameworks [Q41]

Protecting the public purse

• Provided link to the Cyber Security Standards [Q44]

We have also revised and shortened the document to reflect changes made in the Academy Trust Handbook.

Working in partnership with the sector, we will continue our review of the SRMSAC.
Submitting the 2023 to 2024 SRM Self-Assessment Checklist

Please use the following online form to submit your checklist: <u>https://education.gov.uk/srmsa</u>. The deadline for academy trusts to submit their 2023-24 checklist is 15 March 2024. The form will go live in January 2024.

You may have used this type of form before, for example for your Accounts Submission Coversheet (ASC) or a previous year's SRM Self-Assessment Checklist. You should log in using the same details as before. Your DfE sign in or IDAMS registration details will not work with this form. If you have forgotten your login details, or have not used the form before, you can request a new password or create an account here: <u>https://education.gov.uk/srmsa</u>.

You can also sign up to create an account or request a new password. There may be a delay in receiving a password reset email. If the email does not appear in your email inbox within 30 minutes, please check your junk or spam folders and any possible issues with your IT department (e.g., a firewall that could be blocking the email) before contacting ESFA. If you still have not received confirmation, please report this issue via the <u>ESFA feedback form</u> and we will investigate this matter for you. This also applies if you have submitted a form and not received a confirmation email.

If your company number is not recognised on the online form, this may be because there is an extra space in the field you are trying to enter the information to. Please re-enter the company number. All academy trusts that have an open academy on 31 December 2023 must submit a checklist. If you do not have an open academy on 31 December 2023, you are not required to submit a checklist and the form will not recognise your company number.

If you make any errors, you can resubmit the checklist. The system will identify the most recent submission as the valid return.

Please ensure timely submission of the checklist, which is important to ESFA for giving assurance to Parliament that academy trusts have used public money for the purposes intended. This is a requirement within trusts' funding agreements and the Academies Trust Handbook (also known as the Academies Financial Handbook) (section 6.9). Any breach is an indicator of increased risk and can result in intervention, which may include the issue of a Notice to Improve.

Questions for the 2023 to 2024 SRM self-assessment checklist

A. Governance

1. Have the chief financial officer (CFO), accounting officer, chair of trustees and the governance professional read the Academy Trust Handbook (ATH) 2023?

1a. Do they understand their role in complying with the trust's charitable objects, with company and charity law, and with the funding agreement?

The <u>Academy Trust Handbook</u> sets out the financial management requirements that apply to academy trusts. Academy trusts must comply with this handbook as a condition of their funding agreement. The Handbook is revised and updated every year.

Trustees have a statutory duty to comply with the trust's charitable objects, with company and charity law, and with their contractual obligations under the funding agreement. Company directors' duties are described in sections 170 to 181 of the Companies Act 2006. <u>See section 1.12 of the Academy Trust Handbook.</u>

2. Has the board assessed its composition in terms of skills, effectiveness, leadership and impact?

The importance of assessing the skills and effectiveness of the board is set out in the <u>Academy Trust Handbook (sections 1.25 - 1.26)</u>.

The <u>Governance Handbook</u> provides information on how trusts can build an effective board and how boards should review their effectiveness regularly. The handbook also includes training material to help board members develop and engage fully with their role. Trusts should refer to the <u>competency framework for governance</u> in determining whether they have any skills gaps.

3. Does the Board have a plan in place to address any skills and knowledge gaps?

There are various approaches available to the Board to address skills and knowledge gaps. These could include doing a skills audit aligned to the strategic plan or addressing issues through recruitment, induction, training and other development activities.

4. Has the board appointed the senior executive leader as accounting officer?

4a. Has the board assured itself that the senior leader has appropriate skills to fulfil their role as accounting officer in accordance with the financial responsibilities of the duty to the public purse?

<u>Sections 1.27 – 1.37 of the Academy Trust Handbook</u> explain the roles and responsibilities of the accounting officer and contain information on appointing an accounting officer.

The Confederation of School Trusts (CST) also produces guidance on <u>the role of the</u> <u>accounting officer in a School Trust</u>

5. Has the board appointed a qualified and/or experienced chief financial officer (CFO)?

<u>Sections 1.38 - 1.40 of the Academy Trust Handbook</u> are concerned with the skills and experience of the chief financial officer.

The trust should identify whether staff with financial responsibility have the necessary skills.

Trusts should analyse the skills of staff with financial responsibilities to look for any gaps and identify any training and development needs. One way to achieve this is with a skills matrix. As well as appointing a qualified and/or experienced CFO, trusts need to ensure that financial skills and knowledge are, so far as possible, spread around different members of staff. This will help to deal with staff absences, with the situation where a key member of staff decides to leave the organisation, and with ensuring controls and separation of duties as a precaution against mistakes or fraud.

6. Has the board appointed a governance professional who is someone other than a trustee, principal or chief executive of the trust?

<u>Sections 1.41 of the Academy Trust Handbook</u> the board of trustees must appoint a governance professional.

Governance in academy trusts, provides further information of governance support and the role of the governance professional.

7. Has the board met at least 3 times in the last year?

<u>Section 2.3 of the Academy Trust Handbook</u> includes information on trust board meetings and the frequency of meetings.

8. Has the trust held an Annual General Meeting (AGM) with members in the last 12 months?

(If answering "yes") What percentage of members attended the AGM?

(If answering "no") Tell us about any alternative arrangements you've made for communicating with members.

It is **not** a requirement for all trusts to hold an AGM, however it is important that the trust communicate and inform their members and that members have an opportunity to ask questions of trustees. AGMs can be a good opportunity for formal interaction between trustees and members to take place and for progress updates against the trust's strategy to be provided. Any requirement for a trust to hold an AGM will be set out in its articles of association.

<u>Sections 1.2 - 1.7 of the Academy Trust Handbook</u> provide more information on the role of members. Gov.uk also provides <u>information and guidance on charity meetings</u> including AGMs.

9. Has the board approved a written scheme of financial delegation?

<u>Sections 2.4 - 2.5 of the Academy Trust Handbook</u> are concerned with the requirement for a scheme of financial delegation. For example, this could include details of the financial powers and spending decisions retained by the board, and those it has delegated to committees, local governing bodies and named individuals in the trust.

10. Does the trust have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?

The role of the trust's finance committee, or equivalent

<u>Section 2.5 of the Academy Trust Handbook</u> states that the trust should have a finance committee to which the board delegates financial scrutiny and oversight.

Where the finance committee and audit and risk committee are separate, the chair should not be the same.

The finance committee is not mandatory and so trusts can determine their individual requirements and delegate their financial responsibilities to one or more committees, if desired.

What are clear terms of reference for a finance committee?

In trusts where a finance committee has been set up, the trust board must set clear terms of reference for this committee. The trust board should define in writing the terms of reference for the committee and the extent of its delegated authority. These should be reviewed annually or if there are any changes to the committee members. The committee's terms of reference set out the parameters of its operations and the limits on the powers which have been delegated.

Terms of reference for the finance committee might include:

- recommendation of the annual budget to the trust board including the delegation of the budget responsibilities to budget managers
- regular monitoring of actual income and expenditure against each budget and revised forecast for the year
- awarding of contracts by tender up to a specified limit
- delegation limits above which the approval of the trust board is needed before goods or services can be purchased or money can be moved between budget headings – the level of these limits will vary according to the size of the trust and the structure of its governance

What knowledge and experience does the chair need?

It is important that the chair of the finance committee has a good understanding of financial matters and experience in chairing committees or meetings. They need to be able to:

- lead the development of financial strategic plans
- identify viable options and select or recommend those most likely to achieve the trust's goals and objectives
- have a clear understanding of best financial management practice and the trust's performance compared to it
- understand the mandatory financial requirements for the trust and the ESFA's requirements, as set out in the <u>Academy Trust Handbook</u>
- understand the importance of communicating the trust's financial performance to the board and its stakeholders
- have a commitment to the trust and the work of the trust board
- present information and views clearly and influentially to others

11. Does the trust have an audit and risk committee?

(If answering "yes") 11a. Does the audit and risk committee reflect minimum good practice by not allowing trust employees to be members?

(If answering "yes") 11b. Has the audit and risk committee met at least 3 times in the last year?

<u>Sections 3.6 - 3.13 of the Academy Trust Handbook</u> outline the requirements and expectations of a trust audit and risk committee, including information on membership and frequency of meetings.

12. Does the board of trustees take overall responsibility for risk management?

<u>Sections 2.35 - 2.39 of the Academy Trust Handbook</u> provide information on management of risk and risk protection.

13. Does the academy trust comply with the conflict of interest and related party transaction requirements outlined in the ATH?

<u>Sections 5.35 - 5.59 of the Academy Trust Handbook</u> set out the requirements to manage related party transactions and potential conflicts of interest.

14. Has the trust published its governance arrangements on its website?

<u>Sections 1.42 - 1.46 of the Academy Trust Handbook</u> set out the requirements related to the transparency of governance.

Further information

The <u>National Governance Association (NGA)</u> provides guidance on matters relating to trustees and governance, including online finance training.

<u>Governors for Schools</u> provides information on recruiting volunteers to serve on trust boards and guidance for trusts having difficulty <u>recruiting trustees</u> with financial expertise.

Inspiring Governance provides guidance on, and a free recruitment service for, recruiting volunteers to serve on trust and school governing boards

The DfE and ESFA provide <u>online information, tools, training and guidance</u> to help schools improve their financial management and efficiency, including specific guidance for governors.

An objective independent external review of the effectiveness of the board can be a more powerful diagnostic tool than a self-evaluation. An external review of governance (ERG) can help the board to be more skilled, focused and effective, be clear in its vision and how it can achieve this and be confident it has the appropriate skills to meet its needs. More information can be found on <u>gov.uk</u>.

Most suppliers of financial management software provide courses on how to use their systems. The courses are run directly or through a training company.

<u>The Institute of School Business Leadership (ISBL)</u> provides information and training for all those involved in school business management, enabling staff to update their financial management knowledge and skills.

<u>The Confederation of School Trusts (CST)</u> provides guidance, resources, and toolkits focused on helping academy trusts to operate.

B. Trust financial strategy

15. Has the board of trustees carried out a going concern assessment of the trust to inform the basis of the financial statements?

(if answering "yes") 15a Can the board of trustees provide evidence of the information and data used to inform this assessment and the assumptions that were made?

DfE have provided <u>guidance on operating an academy trust as a going concern</u>. This guidance includes information on accounting and audit requirements as well as guidance on challenging financial information.

16. Can the trust provide evidence that trustees approved the 3-year financial forecast before it was submitted to the ESFA?

<u>Sections 2.8 – 2.17 of the Academy Trust Handbook</u> provide details of the budget requirements expected of academy trusts including the production of a three-year budget forecast return.

17. Can the trust provide evidence that trustees have compiled accurate budget forecasts?

<u>Section 2.11 of the Academy Trust Handbook</u> provides information on ensuring budget forecasts are compiled accurately. Trustees should understand the reasons for significant differences between budgeted and actual income and expenditure, and ensure these lessons are reflected appropriately in the preparation of the following year's budget.

18. Has the board of trustees reviewed pupil number estimates each term and challenged them if required?

<u>Section 2.12 of the Academy Trust Handbook</u> is concerned with the estimates used to underpin forecasts. Trustees should satisfy themselves that adequate backing documentation exists to explain the factors underpinning the budget.

As school and academy funding is driven by the numbers of school pupils and their characteristics, schools should have up to date and accurate records on all their pupils.

19. If the trust has a cumulative surplus, has the board of trustees set a reserves policy for holding these surplus funds?

<u>Sections 2.8 - 2.20 of the Academy Trust Handbook</u> are concerned with budget setting, submission and monitoring. It is important for trusts to set a policy for holding reserves and to explain this in their annual report.

20. If a cumulative deficit has been forecast within the three-year budget, is there a plan to mitigate it?

<u>Sections 2.8 - 2.20 of the Academy Trust Handbook</u> are concerned with budget setting, submission and monitoring. Identifying and addressing the causes of a potential deficit early will help ensure the trust balances its budget and does not breach the Academy Trust Handbook.

DfE have provided <u>guidance on deficit recovery</u>. This guidance discusses the significance of deficits and the arrangements for managing them. There is also an annex containing potential practical steps for reducing expenditure, boosting income and improving liquidity, which have been provided by sector practitioners.

21. Does the trust take an integrated approach to curriculum and financial planning?

There should be a clear and demonstrable link between the education/curriculum the schools in the trust want to deliver and how affordable this is. This can be done by looking at core metrics and benchmarking these across other schools in the trust or beyond. This includes:

- average class size
- teacher contact ratio
- pupil to teacher ratio
- percentage of spend on teachers and teaching assistants
- average teacher costs
- size of the leadership team

This way the trust can be confident that its schools are making the best use of their teaching and support staff, focusing their time on activities that directly improve pupils' outcomes.

Why it is important that there is a clear and demonstrable link between the trust's, and its schools', budget(s) and the plan for raising standards and attainment.

The trust's main function is to ensure its pupils achieve their full potential and are prepared for adult life. The school's budget must support the trust's priorities for raising standards and attainment, and to do this effectively requires strategic spending decisions and getting value for money. Integrating planning for the programme of learning – what the school wants to teach and the teaching resources needed to deliver this – alongside financial planning is an effective way of achieving this. This enables the trust to weigh up whether it has enough funds to pay for the proposed learning plan/curriculum or needs to make changes.

How to link the trust's plan to raise standards and attainment to its financial plans and budget.

To ensure that the learning plan or curriculum is viable and that its implementation is feasible, it should be supported by a financial plan that costs each element of it. When undertaking this process it's important that:

- senior educational leads and school business professionals are involved in the discussions
- decisions are made with reference to some core metrics to ensure staff are deployed as effectively as possible
- the metrics for the school are benchmarked across other schools in the trust or to other similar schools outside the trust
- the position is monitored regularly throughout the year

DFE has published information on <u>Integrated Curriculum and Financial Planning</u> to help schools and trusts to create the best curriculum for pupils with available funding.

22. Does the trust survey its physical estate and ensure appropriate capital provision for this in its budget?

23. Are trustees aware of their statutory duties under health and safety legislation?

<u>Sections 1.16 - 1.19 of the Academy Trust Handbook</u> provides information on the importance and value of good estates safety and management.

24. Does the trust have an estate vision, strategy and asset management plan?

We expect all trusts and schools to manage their estate effectively and strategically, to maintain it in a safe working condition. <u>Good Estate Management for Schools (GEMS)</u> provides guidance on how to do this, including information on:

- Strategic estate management having an estate vision, strategy and asset management plan
- Information you need to know about your estate
- Planning and prioritising maintenance
- Health and safety

This guidance includes specific information on health and safety and compliance with appropriate legislation.

25. Does the trust have an appropriate business continuity plan, including adequate insurance cover?

<u>Sections 2.35 – 2.39 of the Academy Trust Handbook</u> provide information on requirements of trusts concerning business continuity and insurance.

Further information

As part of the School Resource Management programme, the DfE and ESFA provide <u>online information, tools, training and guidance</u> to help schools improve their financial and resource management.

Information on the <u>Risk Protection Arrangement</u> is available.

There is information outlining good practice in trust financial management and assurance in the ESFA's <u>Academy trust financial management good practice guides.</u>

C. Setting the annual budget

26. Does the trust set a well-informed and balanced budget?

The budget must be approved by the board of trustees. <u>Sections 2.8 - 2.17 of the</u> <u>Academy Trust Handbook</u> provide details of the budget setting requirements of trusts.

27. Does the budget setting process allow sufficient time for the trust board to scrutinise and challenge the information?

<u>Sections 2.8 - 2.20 of the Academy Trust Handbook</u> provide details of the financial planning and budget monitoring requirements of trusts.

The trust board should be involved early in the process of developing the budget for the following financial year, and consistently from then on. Given trusts must submit three-year budget forecasts to ESFA, a discussion on budget setting for future years, well informed by information from staff, will need to be held each financial year.

28. Can the trust act quickly to amend the budget if pupil numbers are significantly different from what was projected?

<u>Section 2.12 of the Academy Trust Handbook</u> states the board should challenge pupil number estimates that underpin revenue projections and review these termly.

Pupil numbers have by far the biggest influence on the grant income received by the trust. It's therefore essential that they are forecast accurately and on the most realistic basis. Pupil numbers should be projected based on relevant data, including what is:

- happening to child numbers in the local area
- known of the relative attractiveness to parents of different schools
- known of trends in previous years

In setting its budget the trust should be aware that pupil numbers may not turn out exactly as projected. It should make:

- a realistic assessment of uncertainty
- contingency plans for what it will do in-year if the pupil numbers in the autumn term are different from its projections

29. Is income and expenditure in line with budget projections?

29a. Is the board of trustees informed of significant differences in a timely manner?

29b. Do the differences result from planned changes and/or circumstances that could not have been predicted?

<u>Sections 2.18 - 2.20 of the Academy Trust Handbook</u> provide details of the budget monitoring requirements of trusts.

It will be important for the trust to understand the reasons and take appropriate action to remain in a financially stable position where it identifies variances between:

- actual income and expenditure in the year to date, compared to budgeted income and expenditure to date; and/or
- the latest projected full year outturn and the original full-year budget.

Why should outturn be close to budget projections?

This would demonstrate that the budget has been well planned and that the costs likely to arise have been considered. If this happens, the trust will not risk falling into an unplanned deficit or ending up with an excessive surplus for which it has no plans.

What factors might cause outturn to be different from budget even if the planning was good?

The trust might need to plan changes during the year, for example, if more or fewer pupils arrived in September than it had expected.

Alternatively, there might be genuinely unforeseeable circumstances such as the long-term illness of one or more members of staff.

30. Are in-year balances at a reasonable level?

<u>Sections 2.8 - 2.20 of the Academy Trust Handbook</u> are concerned with budget setting, submission and monitoring.

Trusts should ensure they are getting the most benefit and best value for money from their budgets, and plan to use any surplus funds in line with their reserves policy, and any priorities identified through their strategic planning.

31. Does the trust have a clear plan for using the money it plans to hold in balance at the end of the year?

Further Information

The DfE and ESFA provide <u>online information</u>, tools, training and guidance to help trusts and schools improve their financial management and efficiency, including on the benefits of workforce planning.

Data on trust and academy balances can be found by using <u>Schools financial</u> <u>benchmarking</u>.

D. Staffing

32. Does the trust review and challenge its staffing structure regularly to ensure meet the needs of the trust and maintains financial integrity?

What is a staffing structure?

The structure is how the staff of the trust are organised and deployed. It may be helpful to have a chart showing central staff of the trust, and senior staff in schools. A staffing chart for each school is also helpful. The structure is also about where and how staff are deployed, e.g., when they teach, what they teach, how leadership and supervision are arranged.

How often should this be reviewed and why it is important

Structures should be reviewed annually along with the curriculum and plans for improvement, and as part of workforce planning. An example 12-month staffing review cycle is included in the school <u>workforce planning</u> guidance.

Staffing costs make up 70 to 80% of an average trust's expenditure. Regular reviews enable the trust to invest in the right mix of staff, and in high quality professional development, to maximise pupil outcomes and value for money. They also ensure the structure matches as closely as possible the current and future needs of the trust, which will change over time.

How can the trust achieve this

DfE has published guidance on <u>workforce planning</u>. This provides information about what should be considered as part of regular staffing reviews, and information about case studies and best practice. Trusts are advised to plan over the medium to long term (three to five years).

The staffing structure itself should be described in an open document(s) for all staff to see. It should be clear and accurate, and identify roles and responsibilities attached to posts. It's also good practice to display staff details and roles on a school's website and notice boards, to provide transparency to pupils and parents.

33. Does the pay of senior leaders follow a robust evidence-based process?

<u>Sections 2.27 - 2.30 of the Academy Trust Handbook</u> sets the expectations for trusts in relation to the pay of senior leaders.

Trusts should seek professional independent advice from an expert advisor whenever they are unsure of how to determine senior leader salaries, and especially if they are thinking of setting a salary higher than would be normal for the size and type of trust.

Final decisions are at the discretion of trusts, but due regard should be given to all relevant advice.

34. Does the trust benchmark the size of the senior leadership team in its schools annually against that of similar schools?

Why it is important to benchmark the size of a senior leadership team (SLT)

The SLT can play an important role in both the strategic and day-to-day running of a school or trust. However, the effectiveness of a SLT is not necessarily proportionate to its size. Having a high proportion of the workforce in the leadership group may suggest that not enough of the workforce is focused on teaching.

There is no single staff structure that will suit all schools. Contextual factors, including funding, pupil demographics, and school improvement priorities, play an important part.

Understanding how the size of a SLT compares with similar schools can help to identify if the staffing structure is top-heavy and whether there is potential to direct more resource from the SLT into the classroom.

Good practice

Benchmarking staffing structures, including the size of the SLT can help create a cycle of continuous improvement and develop a culture where it is easier to question the norm and make changes. Benchmarking should be used to improve the quality and impact of education and should not be used solely to focus on reducing costs. You should select a cohort of schools based on the characteristics of the school you are benchmarking, for a 'like for like' comparison.

<u>Schools Financial Benchmarking</u> includes a self-assessment dashboard that provides this data, including a comparison of the proportion of the school workforce in the senior leadership team with those of broadly similar schools with a RAG rating based on this comparison.

The <u>View My Financial Insights</u> tool can also be used to benchmark spend and workforce.

Interpreting the chart data

<u>Schools Financial Benchmarking</u> includes a workforce tab which allows schools to see their workforce data. This information can be displayed in various ways, including as a total, a proportion or in comparison with their number of pupils. The comparison benchmarking charts can also be displayed in this way. Care should be taken when interpreting comparative charts. This information describes the position of a school relative to others – it does not explain why a school is in this position or indicate whether it should be. There may be good reasons for a school to have relatively high or low figures. What is important is to review the differences, investigate the reasons for them and aim to make changes where there are not adequate reasons for being out of line in a particular category.

What to do if the proportion of senior leaders appears to be out of line with similar schools.

Trusts should consider whether the school has circumstances that create valid reasons for their staffing structure. They should also consider contacting the similar schools that are identified through the benchmarking process, to determine if there is anything that can be learned from them about how a different size leadership team can achieve greater pupil progress.

35. Has the trust published on its website the number of employees whose total benefits exceeded £100k for the previous year ending 31 August?

<u>Section 2.29 of the Academy Trust Handbook</u> provides information on the publication of executive pay. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments.

Further information

The DfE and ESFA provide <u>online information</u>, tools, training and guidance to help trusts and schools improve their financial management and efficiency. This includes <u>workforce</u> <u>planning</u> guidance and <u>signposting to relevant training and development opportunities</u>.

Information on staff employment and school teachers' pay and conditions is available.

E. Value for money

36. If the trust benchmarks its income and expenditure and that of its schools annually against similar trusts and schools, which of these possible actions has it taken afterwards?

- □ Investigated further where any category appears to be out of line.
- □ Contacted any other schools to share information or best practice
- □ Identified areas for possible efficiencies
- □ Used as part of strategic discussions at trust board meetings
- □ Used as part of strategic discussions with the senior leadership team
- □ Used to inform budget setting
- □ Changed supplier of a particular good or service
- □ Other (please specify)
- No action taken
- □ The trust does not benchmark

What is benchmarking and why it is important

Benchmarking is a process for comparing income and expenditure in detail with that of similar trusts or schools to consider whether and how resources can be used more effectively and to identify where changes can be made. 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. Trusts should report their findings from benchmarking to the trust board.

We offer two key tools to support with this:

- <u>Schools Financial Benchmarking</u>, which is public-facing and open for anyone to use
- <u>View My Financial Insights (VMFI)</u>, which provides users in academy trusts, schools and LAs with an automated assessment of their school's data based on similar schools.

What information should trusts use to benchmark their income and expenditure

All academy trusts submit their income and expenditure data through the Academy Accounts Return (AAR). This standardised set of codes enables schools to compare their income and expenditure with that of similar schools – academies can if they wish confine their comparisons to other academies, but they can also include maintained schools in the comparison. All maintained schools submit their income and expenditure data using the Consistent Financial Reporting (CFR) framework.

Via <u>Schools Financial Benchmarking</u>, trusts can access simple charts and reports for their boards to show how their schools spend money in comparison to other schools. Trusts can also compare themselves at trust level against other trusts.

Within <u>VMFI</u>, trusts are provided with a prioritised list of areas for investigation. They can also see dashboards showing how all their schools benchmark in particular categories.

VMFI also compares academies against different schools for each cost, e.g., the comparator schools for premises and utilities are based on building characteristics, not pupil characteristics.

Selecting the right schools to benchmark against

Trusts should select a cohort of schools based on the characteristics of the school they are benchmarking. Trusts should be selecting "like for like" to get a better understanding of their school's income and expenditure and that of other schools in the benchmark set. The characteristics of the selected set should allow sound comparisons to be made, enabling trusts to ask questions about different categories of income and expenditure and encourage constructive discussions with comparator schools to help the school make changes in performance over time.

If a school is compared to dissimilar schools or a random group then the differences are likely to reflect the school's different circumstances, such as proportions of pupils eligible for Free School Meals (FSM), rather than help identify ways to secure better value for money in the school. Typical parameters for selection would include area, school size and percentage of pupils eligible for FSM. Both <u>Schools Financial Benchmarking</u> and <u>VMFI</u> offer a quick comparison using pre-determined characteristics, or users can make a more detailed selection of characteristics for themselves.

All trusts should ensure they are benchmarking effectively

Trusts should use benchmarking as a contributing factor for:

- planning and managing their and their schools' budgets
- identifying areas and setting targets for improved use of resources
- achieving value for money in expenditure and improving its effectiveness in driving performance

Benchmarking income and expenditure can help create a cycle of continuous improvement and develop a culture where it's easier to question the norm and make changes. Benchmarking is not used solely to focus on reducing costs, but also to improve the quality and impact of school services. Benchmarking can be used as a tool for improving or bringing about change and raising standards.

Interpreting the chart data

Care should be taken when interpreting comparative income and expenditure data. This information describes the position of a school relative to others – it does not explain why a school is in this position or indicate whether it should be. There may be good reasons for a school to have relatively high or low figures. What is important is to review the differences, investigate the reasons for them and aim to make changes where there are not adequate reasons for spending being out of line in a particular category.

What to do if your trust does not regularly benchmark

The trust should begin to benchmark immediately. As trusts are responsible for spending large amounts of public money 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 their pupils.

What to do if a category of spend appears to be out of line

Trusts should consider whether the school has circumstances that create valid reasons for this. If there are not, they should consider how it has occurred and how the use of these resources can be improved in future.

37. Does the trust have procedures for purchasing goods and services that both meet legal requirements and secure value for money?

<u>Sections 2.24 - 2.26 of the Academy Trust Handbook</u> provides details of the procurement requirements of trusts.

What procedures are needed for purchasing goods and services

Procurement encompasses the entire process of identifying the goods or services a trust requires, deciding how to acquire these, selecting suppliers based on cost-effectiveness and quality, managing contracts, and making payments. Robust procurement practices are essential to optimise purchases, especially for larger expenditures, with the full rigour of the Public Contracts Regulations applying to all procurements over the thresholds.

Why trusts need to understand and deliver effective procurement processes

Trusts have a duty to ensure purchases or leases made with public funds are fair, legal and transparent, as well as securing the best possible value for money. They must be able to demonstrate that they are achieving regularity, propriety and value for money.

Staff involved in purchasing decisions should have at least basic procurement skills and understanding

Anyone in the trust or its schools who is involved in buying and spending decisions should be aware of – and comply with – the Public Contracts Regulations, including the <u>National Procurement Policy Statement</u>. For ways to improve the skills and knowledge of staff, see below in further information.

Establish basic procurement procedures and make sure they are used

Basic procurement good practice procedures include:

- a scheme of delegation with levels of authority that set out threshold values and requirements, including when it is necessary to obtain written quotations and tenders
- clear designated roles to ensure separation of duties between staff responsible for making buying decisions and making payments
- clear procedural documentation that sets out what needs to happen at each stage of procurement

Procurement good practice includes the consideration of leasing goods and services rather than buying them. An operating lease is a rental type agreement where the trust pays a fee for the hire of the equipment and is the only type of lease a trust can enter. A finance lease is akin to hire purchase and cannot be entered into as it is a form of borrowing. The Department has issued <u>specific guidance on leasing and subscription</u> <u>services for school equipment</u>.

What to do if your trust does not have procurement procedures

Trusts should use the above suggestions to improve knowledge and understanding of what procurement is and how it can help to deliver their objectives and make best use of the available budget. Trusts should then develop and use a protocol ensuring effective procurement controls in future.

What to do if your trust is not complying with procurement regulations or its own established procedures

Trusts should ensure procurement capability is a core element of their overall capacity planning to ensure competence in this area. All staff involved in procurement, including those authorising expenditures, should understand the legal consequences of noncompliance. Trusts may require legal advice if they or their schools have signed contracts that did not follow proper procurement procedures, or if they are locked into expensive, ongoing contracts.

38. Are the trustees given the opportunity to challenge their trust's plans for replacing contracts for goods and services that are due to expire?

The trust board and accounting officer must ensure value for money in trust operations, including procurement. To achieve value for money, trustees should carefully scrutinise needs, market options, and risks. Procurement tender exercises can sometimes take time. Timely communication is crucial when contracts are ending to plan and execute procurements efficiently, especially for complex ones. For complex procurements, Trustees and those responsible for procurement need a detailed timeline for scoping, review, and delivery to ensure uninterrupted service and meet operational needs.

Good practice

A trust must maintain a contract register, which should include:

- the contract start and end date
- the current value of the contract
- the lead-in time for procurement
- information on early termination for example, any dates or penalties incurred for early termination
- any potential for extension of the contract, if already in the terms of the contract
- an indication of exit strategies or re-procurement plans

The register should be regularly shared with trust boards or local governing bodies, depending on the scheme of delegation, to make them aware of any upcoming

milestones in the contract register timetable and allow them to scrutinise and/or challenge procurement plans.

39. What does the trust consider when replacing or renewing contracts?

- □ Considered not buying the replacement good or service at all, as it no longer meets the trust's requirements.
- □ Considered reviewing the current contract terms to see if there are any provisions to extend.
- □ Considered bringing a service in-house which was going to be contracted out.
- □ Considered outsourcing a service which was going to be brought in-house.
- Considered any or all the social, environmental, ethical, sustainability aspects of the proposal.
- □ Considered who is best placed to manage the contract effectively.
- □ Challenged the proposed route to market.
- □ Challenged the proposed length of contract.
- □ Challenged the proposed value of the contract.
- □ Challenged the proposed scheme/rubric to evaluate submitted bids and identify the one that provides the best value for money.
- □ Proposed exploration of the offer from DfE's Get Help Buying for Schools service.
- Surfaced risks around e.g., avoidance of Related Party Transactions, legal challenges.

40. Does the trust consider collaboration with others if this would improve value for money, for example on sharing staff or joint purchasing?

Collaboration typically involves:

- Sharing resources like expertise, advice, knowledge, equipment, or staff.
- Collaborating on purchasing goods, works, or services to secure better contracts.

How collaboration can improve value for money

Collaboration improves value for money by enhancing procurement effectiveness through the exchange of skills and knowledge, enables trusts to learn from each other's experiences, facilitates the use of costly resources through agreements, and leveraging combined buying power for better deals.

How to succeed in collaboration

Effective collaboration depends on building open working relationships with other trusts to discuss key objectives and priorities, including on procurement, and being honest about areas of vulnerability, like limited experience in specialist markets. Some schools and trusts are understandably reluctant to admit to poor procurement decisions in the past, but these can be valuable lessons to other schools in avoiding pitfalls.

While some forms of collaboration are familiar, look out for less typical collaborative buying options, like shared building maintenance contracts. These could attract providers by ensuring a stream of regular work across multiple trusts and schools.

Trusts should aggregate the full value of the whole contract over its entire term, not just consider the amount they or their schools are initially paying. Higher-value contracts will require a greater level of compliance with procurement regulations, including legal restrictions if the value is over the current thresholds for public sector contracts. Contracts over the threshold in the <u>Procurement Policy Note 10/21: Thresholds and Inclusion of VAT</u> are in scope of the Public Contracts Regulations. These values are reviewed every two years.

Trusts should also define responsibility for managing collaborative contracts, resolving issues, risk management, and resource allocation fairly. Additionally, for sharing procurement expertise, trusts should consider the benefits for the trust providing expertise and address any potential liability issues from following advice offered by others.

41. Does the trust seek to use DfE approved frameworks, where applicable, to ensure procurement compliance and value for money?

What are the DfE approved frameworks?

<u>Find a framework</u> provides self-service access to DfE approved frameworks covering a range of non-staff spend areas, including, but not limited to, energy, supply staff, catering and audit services. These are assessed for compliance with procurement regulations, ease of use, suitability and value for money.

Assistance in access and utilising the frameworks can be obtained through the <u>Get help</u> <u>buying for schools service</u> provides free and impartial advice.

Good practice

It is good practice for trusts to explore these approved frameworks when their current arrangements are drawing to an end to determine if they could achieve greater value for money than the trust's current arrangements.

Trusts can also explore the frameworks at any other time during the contract, to consider whether their current deals could be renegotiated, based on the prices and rates available through the frameworks.

Further information

<u>Schools Financial Benchmarking</u> enables all maintained schools and academies to make comparisons in a number of expenditure and workforce categories with other similar schools and trusts. Guidance on how to use the tool is available through the homepage.

<u>View my financial insights</u> helps schools view and improve their financial performance by providing an automated assessment of their data based on similar schools. This

assessment identifies areas that may require further attention and matches your data with relevant guidance and resources.

<u>Buying for schools</u> includes a wealth of information including best practice procurement, training, and model templates and data protection guidance.

DfE's <u>find a framework</u> includes DfE approved frameworks across a range of non-staff spend areas, assessed for compliance and value for money.

<u>Get help buying for schools service</u> provides free and impartial advice and guidance from procurement specialists for all state-funded schools in England on buying goods and services.

Information on the <u>Risk Protection Arrangement</u> (RPA) is available on GOV.UK, and is DfE's alternative to commercial insurance for schools and trusts.

Regular updates are available on <u>Transforming Public Procurement - GOV.UK</u> (www.gov.uk)

- In addition to the above, trusts should consider the following to improve the skills and knowledge of staff: <u>online learning resources</u> – a series of webinars on SRM are available, including a one on procurement
- accredited qualifications and/or training for example, courses run by the Chartered Institute of Procurement & Supply
- advice and coaching from other staff with procurement qualifications or experience
- seeking help and advice from local schools and other education providers
- joining a local <u>School Business Professional Network</u>

F. Protecting the public purse

42. Are there any outstanding matters from audit reports?

<u>Sections 4.14 – 4.15 of the Academy Trust Handbook</u> set out the requirements on trusts in responding to audit findings.

What outstanding matters are

When a trust is audited, reports will be produced by the auditor that clearly sets out the issues and weaknesses that the trust needs to address. In the case of the external audit of the trust's financial statements, the auditor will produce reports on the financial statements and on regularity (described in the <u>Academies Accounts Direction</u>), together with a management letter setting out findings and recommendations. The trust should then formulate a plan to address the issues and weaknesses and ensure that they are addressed promptly.

Why it is important for the trust board to be sure that there are no outstanding matters

Unresolved issues that have been identified by auditors or by the organisation itself will hamper the operation of the organisation and may put public funds at risk. The board therefore needs to make sure that they are dealt with promptly.

Keeping a record of outstanding matters

Trusts should have a clear system for recording outstanding matters. Following an audit, the trust board should receive an audit report. The trust should establish a list of issues to be addressed and a timed plan for addressing each issue.

How to ensure you deal with outstanding issues and weaknesses promptly

A timed action plan should be established to address each issue. Regular reports on progress should be made to the trust board. The trust should ensure that responsibilities and lines of reporting are clear. Each action should be assigned to a named owner who should have responsibility for carrying it out and reporting back. The board should note formally when an issue has been cleared.

What to do if there are outstanding matters

If there are matters outstanding from previous audits or self-assessments, and there is no action plan or the action plan has not been carried out in full, the trust needs to agree a revised action plan with timely milestones for actions that will resolve the outstanding matters. The plan should attribute actions to named people with clear deadlines.

If the trust is not sure whether there are outstanding matters, it may be necessary to go through the previous audit or self-assessment to see what issues were raised and find out whether action has been taken on them.

43. Has the trust adhered to the internal scrutiny arrangements defined in the ATH?

<u>Section 3 of the Academy Trust Handbook</u> provides details of the requirements on academy trusts in applying internal scrutiny, including options for delivering assurance through independent challenge (internal audit).

44. Does the trust regularly review its internal control arrangements to safeguard against fraud, theft and cybercrime by staff, contractors, suppliers and other third parties?

<u>Sections 6.9 - 6.13 of the Academy Trust Handbook</u> provide information on the requirements on trusts in preventing and reporting fraud. This also includes links to <u>guidance on reducing fraud</u>.

<u>Sections 6.14 - 6.15 of the Academy Trust Handbook</u> makes trusts aware of the risk of cybercrime, so they can put in place proportionate controls and take appropriate action where a cyber security incident has occurred. This also includes links to <u>National Cyber</u> <u>Security Centre guidance</u>.

Additionally, the <u>Cyber Security Standards</u> supports trusts and school to understand the steps to take to minimise cyber security risks.

The <u>Risk Protection Arrangement (RPA)</u>, DfE's alternative to commercial insurance, includes cover for cybercrime.

45. Are all staff aware of the trust's whistleblowing arrangements and to whom they should report concerns?

<u>Sections 2.40 - 2.44 of the Academy Trust Handbook</u> set the requirements for trusts to have a whistleblowing process.

Further information is available on <u>whistleblowing</u>, including which areas arrangements should cover.

<u>Protect</u> (previously known as Public Concern at Work) – is a charity providing support for organisations on whistleblowing and confidential independent advice to workers who have concerns about some wrongdoing in the workplace.

46. Does the trust have an adequate accounting system that delivers accurate reports, including ESFA returns?

<u>Sections 2.15 - 2.20 of the Academy Trust Handbook</u> sets the requirements for trusts regarding budget submissions to ESFA and budget monitoring.

What is an adequate accounting system?

Academy trusts will need a fully integrated accounting package with a nominal ledger, purchase ledger, etc., from which a trial balance and financial statements can be prepared. The main characteristics of an adequate accounting system are that it:

- accurately records income and expenditure
- produces reliable and accurate management information, including providing decision makers with timely and accurate information relevant to their responsibilities and requirements
- contains adequate internal control measures to ensure the protection of assets and the provision of reliable information
- is sufficiently flexible to accommodate changes in volumes and operating procedures without requiring drastic modification

Information the system needs to record

The accounting system should record detailed information on income and expenditure, covering all the trust's financial transactions. For academies, it must be capable of recording data in such a way that it can provide details of revenue income and expenditure, capital income and expenditure and balances that fit the audit requirements and financial returns to the ESFA. The system should support the production of accurate reports so that the trust can effectively monitor the budget throughout the year.

Why an adequate accounting system is important

Trusts are responsible for large sums of public money and so it is vital that they have accounting systems that allow them to accurately record and monitor their income and expenditure. Accurate budget monitoring reports will provide important information about spending patterns that help schools to make realistic forecasts of year-end under or overspends.

A good accounting system should enable the trust to easily produce monitoring reports with different levels of detail

The system should be able to produce reports which include information such as:

- annual and profiled budget
- actual spend to date (paid out of the trust or school bank or by the local authority)
- comparisons of expected spend and actual expenditure
- end-of-year projections

For multi-academy trusts it's essential to have a single integrated accounting system that can be used by all its academies.

A good system should automatically generate reports from base financial records

Trusts should expect their accounting system to automate the production of the numeric budget monitoring reports as much as possible, by either:

• using the reporting functions provided in school finance software packages

• downloading data from less flexible systems into linked spreadsheets that automatically pick up and summarise cost centre codes

Trusts should ensure the information they record and the reports produced are accurate

Trusts are responsible for ensuring their information is up to date and accurate for their own benefit and because their annual returns are used widely by the Department, ESFA and other schools and trusts for benchmarking purposes and the general public. A good accounting system will be able to produce data extracts in common industry standard formats (for example, XML). This enables trusts to meet their requirements for providing data to the ESFA.

If your trust does not have an adequate accounting system

Many providers offer schools' accounting systems and the trust should identify which system best meets their needs.

Further information

The <u>Academy Trust Handbook</u> and <u>Academies Accounts Direction</u> set out information on the financial and accounting requirements expected of academy trusts.

The ESFA has produced specific guidance to support academy trusts to <u>reduce the risk</u> <u>of fraud</u>.



© Crown copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit <u>nationalarchives.gov.uk/doc/open-government-licence/version/3</u>.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

About this publication:

enquiries <u>www.education.gov.uk/contactus</u> download <u>www.gov.uk/government/publications</u>



Follow us on Twitter:



Like us on Facebook: <u>facebook.com/educationgovuk</u>

Schools financial value standard - checklist

Possible evidence list

		Answer Comments, evidence and proposed actio		
Α.	Governance			
1		<u>Q1</u> guidance		 Skills Audit – Governing Board & Schools Staff List of Training Attended Meeting Minutes – Governing Board & Finance/ Resources Committee Financial Position of school reported to parents and to the community
2		<u>Q2</u> guidance		 Finance/ Resources Committee Terms of Reference Finance/ Resources Committee minutes Termly Finance/ Resources Committee meetings Completed Competency matrix for Chair & members Scheme of Delegation (Annual review of Head Teachers delegated authority, which must also be stated in the school's Finance Policy)
3		<u>Q3</u> guidance		 Budget Monitoring reports Finance/ Resources Committee & Governing Board minutes All staff should be aware of the annual budget and how finances are monitored.
4		<u>Q4</u> guidance		 Declarations of Interests – Governing Board and for all staff Finance/ Resources Committee & Governing Board minutes This should be on the agenda at the beginning of every GB meeting.
5		<u>Q5</u> guidance		 Staffing Structure & Job Descriptions Cover arrangements for Finance staff Schools Staff Skills Matrix Identification of Training requirements

6	Does the school have a realistic, sustainable and flexible financial strategy in place for at least the next 3 years, based on realistic assumptions about future funding, pupil numbers and pressures?	<u>Q6</u> guidance	 3-year Budgets – Revenue & Capital Annual Budget Setting Working Papers Governing Board minutes 			
7	Is the financial strategy integrated with the school's strategy for raising standards and attainment?	Q7 guidance	 School Development Plan – with links to the budget Annual Budget Setting Papers 			
8	Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	Q8 guidance	 Business Continuity Plan/Disaster Recovery Plan – with evidence of testing Insurance Schedule – with evidence of annual review Risk register Asset register – with evidence of annual check IT arrangements – computers backed up regularly, testing of restoration data Cover arrangements for key staff 			
C. 9	C. Setting the annual budget					
9	Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?	Q9 guidance	 Approved Annual Budget Governing Board minutes evidencing discussion and approval Annual Budget Setting Working Papers Budget submitted to the LA on time 			
4.0	Does the budget setting process allow sufficient time for the governing	Q10	Budget Setting timetable taking into account Governing Board meetings			
10	body to scrutinise and challenge the information provided?	guidance	Governing Board minutes evidencing discussion and scrutiny			

12	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 such variations result from explicitly planned changes or from genuinely unforeseeable circumstances?	<u>Q12</u> guidance	 Budget Monitoring reports Governing Board minutes disc and corrective action Virement record Year End Outturn report CFR Report Budget monitoring should be done monitoring 	
13	Are balances at a reasonable level and does the school have a clear plan for using the money it plans to hold in balance at the end of each year?	Q13 guidance	 Surplus Balances Return Year End Outturn CFR Return Annual Budget Submission Annual Budget Setting Working For Schools should have plans for any mon surplus should be discussed at Governin 	ies saved and plans for any
D. 9	Staffing			
14	Does the school review and challenge its staffing structure regularly to ensure it is the best structure to meet the needs of the school whilst maintaining financial integrity?	Q14 guidance	 Staff Structure – with response each post Governing Board minutes Senior Leadership Team minutes 	
15	Has the use of professional independent advice informed part of the pay decision process in relation to the head teacher and is it tightly correlated to strong educational outcomes and sound financial management?	Q15 guidance	 Appraisal/Performance Manag Link to Career stage expectation the school) Advice sought from HR proving Consultant (confirmation on conversation) Advice noted in decisions of page 100 million 	ement Policy ons (if implemented by der or an independent f email or phone
16	Does the school benchmark the size of its senior leadership team annually against that of similar schools?	Q16 guidance	Benchmarking Report DfE Schools Financial Benchma www.education.gov.uk/sfb/ DfE Performance Tables website www.education.gov.uk/schools/p Analysis of Benchmarking Governing Board minutes	king website

17	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?	Q17 guidance	 Benchmarking Report DfE Schools Financial Benchmarking website www.education.gov.uk/sfb/ DfE Performance Tables website www.education.gov.uk/schools/performance/ Analysis of Benchmarking Governing Board minutes Senior Leadership Team minutes Benchmarking should be done regularly, especially during the annual budget setting process and where contracts are up for renewal.
18	Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?	<u>Q18</u> guidance	 Financial Procedures – Procurement protocol Adoption of Schools Financial Regulations Scheme of Delegation Everyone involved in buying and spending decisions should be aware of the basic procurement procedures.
19	Is the governing body given the opportunity to challenge the school's plans for replacing contracts for goods and services that are due to expire shortly?	Q19 guidance	 Financial Procedures – Procurement protocol Adoption of Schools Financial Regulations Scheme of Delegation Everyone involved in buying and spending decisions should be aware of the basic procurement procedures.
20	Does the School consider collaboration with others, e.g. on sharing staff or joint purchasing, where that would improve value for money?	Q20 guidance	 Brent Procurement service Evidence of Collaboration agreements Annual Budget Setting Working Papers Governing Board minutes
21	Do you compare your non-staff expenditure against the DfE recommended national deals to ensure you are achieving best value?	<u>Q21</u> guidance	DfE's 'Deals for Schools' <u>https://www.gov.uk/guidance/find-a-dfe-approved-</u> <u>framework-for-your-school</u>
22	Does the school maintain its premises and other assets to an adequate standard and make best use of capital monies for this purpose?	Q22 guidance	 Asset register Statutory Building Inspections Premises Committee minutes All schools should have a maintenance program looking forward for at least 3 years, reviewed annually.

23	Is the governing body sure that there are no outstanding matters from audit reports, internal audit reports or from previous consideration of weaknesses by the governing body?	Q23 guidance	 Internal Audit Report Governing Board & Finance/ Resources Committee minutes Evidence of monitor and review of recommendations
24	Are there adequate arrangements in place to manage conflicts of interest or any related party transactions?	<u>Q24</u> guidance	 Declarations of Interests – Governing Board and for all staff Detailed Declaration / related party transaction register Finance/ Resources Committee & Governing Board minutes This should be on the agenda at the beginning of every GB meeting.
25	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)	<u>Q25</u> guidance	 Financial Procedures Manual Written Log of instances of fraud or theft detected Whistleblowing Policy Declarations of Interest Division of Duties in processes Invoice authorisation procedure is robust Marking of equipment Review of inventory items
26	Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?	<u>Q26</u> guidance	 Whistleblowing Policy Governing Board minutes Memo/newsletters/emails to staff informing or reminding them of Whistleblowing Policy
27	Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the annual Consistent Financial Reporting return?	Q27 guidance	 Details of accounting system used – e.g. SMS FMS Internal Audit Reports - assurance that the accounting system is being used correctly CFR report – system produced
28	Does the school have adequate arrangements for audit of voluntary funds?	Q28 guidance	 Audit Certificate – annual Governing Board minutes – choosing auditor, reviewing accounts Independent Auditor

G. SFVS dashboard

29	Have the results of the dashboard been carefully considered and potential follow-up actions identified?	Q29 guio



Governing Board minutes evidencing discussionsList of follow-up actions