

# **Roles of the DfE, local authorities and schools in relation to maintained schools' financial assurance and cost reduction**

## **DfE**

*DfE's overall role is to set the national financial framework and to provide high level support and coordination. In pursuit of this role it:*

- Maintains a national standard for schools (the Schools Financial Value Standard - SFVS);
- Maintains a model financial scheme for schools under section 48 of the School Standards and Framework Act (SSFA) 1998;
- Requires annual assurance from Chief Finance Officers of local authorities that:
  - the Dedicated Schools Grant (DSG) has been properly used;
  - the local authority has adequate audit and assurance arrangements in place for schools; and
  - schools are implementing the SFVS;
- Uses data collected to monitor and challenge local authorities where appropriate:
  - on substantial overspend or underspend of the DSG;
  - on schools with persistent substantial deficits; and
  - on failure to implement the SFVS;
- Publishes data on the budgeted and actual spend of local authorities and schools;
- Makes tools and case studies for schools available on the national website;
- Maintains the Schools Financial Benchmarking (SFB) website for schools;
- Signposts schools to compliant contracts and frameworks for procurement and in some cases may arrange contracts and frameworks for schools to access; and
- Hosts discussions with local authority and school partners on financial and procurement issues.

## **Local authorities**

*Local authorities' role is to set and monitor a local financial framework and to provide local support for schools to help them provide an effective service to the local community. In pursuit of this role they:*

- Maintain and revise a local financial scheme for schools under section 48 of the SSFA 1998;
- Review the schools' budget plans as submitted;

- Agree a deficit recovery programme with schools that fall into deficit;
- Carry out high level monitoring of schools' budgets;
- Challenge excess surplus balances, held by schools without good reason;
- Intervene in schools causing financial concern, through issuing notices of concern or the withdrawal of delegation;
- Plan and carry out an audit programme for schools;
- Monitor implementation of the SFVS and take this into account in their programme of audit;
- Provide local guidance, tools and resources for schools (may be charged for);
- Provide advice for individual schools on request (may be charged for);
- Provide conferences and training for schools (may be charged for); and
- Provide local authority level procurement frameworks and deals for schools.

### **Schools**

*Schools' role is to manage their delegated budget effectively and optimise their use of resources to raise standards and attainment for all their pupils, working within the local financial framework set by the local authority. In pursuit of this role they:*

- Seek to secure good value for money at all times;
- Implement the SFVS;
- Ensure that the school has access to an appropriate level of financial expertise;
- Ensure that the governing body has adequate financial skills among its members to fulfil its role of challenge and support;
- Maintain effective financial management arrangements in the school;
- Maintain adequate accounting and management information systems;
- Follow procedures for purchasing or leasing goods and services that both meet the legal requirements and achieve value for money;
- Have adequate arrangements to guard against fraud and theft; and
- Benchmark income and expenditure annually against that of similar schools and investigate and take action where any category appears to be out of line.