

Guide to School Finance

Financial Management Standard in Schools (FMSiS)

Document Guidance

As part of the Financial Management Standard in Schools (FMSiS) the DCSF produced an [online tool kit](#) that has general, summary and resource documents available to schools. All documents can be viewed online, downloaded or printed off. There are standard documents available that can be adopted and amended accordingly to reflect the position of the school. Available within general documents are Evidence sources for the Assessment Criteria (G5C) that provide ideas regarding appropriate evidence for the assessment criteria within the FMSiS.

As additional guidance, this guidance note, produced by Trafford Internal Audit, sets out some key issues for schools to consider in gathering evidence and also sets out examples of documentation evidence to demonstrate adherence to the Financial Management Standard in Schools.

Evidence file

An evidence file should be set up at the outset. This should be updated over time to ensure there is adequate evidence to support achievement of the standard.

Prior to external assessment, the evidence file should be cross-referenced to the on-line self-assessment form so that the assessor is able to identify the evidence for each aspect of the Standard clearly.

It would be advantageous, if once you have established your evidence file you keep it up to date. This should save time in preparing for future assessments and also ensure information required is readily available to achieve and maintain the Financial Management Standard.

Set out below are examples of evidence required. In addition, the attached table highlights examples of evidence typically required to support various elements of the standard. Please note this is for guidance and not an exhaustive list.

You need to ensure that:

- When completing your self-assessment in the comments box each item is completed and clearly cross referenced to your evidence file.
- Current information is submitted e.g. Governing Body minutes, up to date committee remits, job descriptions, staffing structures etc.
- All Governors and relevant staff have signed an up to date Declaration in the Register of Business Interests.
- Any discussions and decisions made by the Governing Body and any sub committees are appropriately reflected and recorded in the minutes.
- Schools Manuals/Procedures are appropriate to the school and approved by the Full Governing Body prior to assessment.
- A Best Value Statement and State of Internal Control are produced and approved by the Full Governing Body prior to assessment.
- A Whistle Blowing Policy is approved by the Governing Body in line with the principles set out in Trafford Council's Policy.
- The School development Plan is for 3 years, with financial content which is reflected in the annual budgets and approved by the Governing Body.
- Benchmarking has taken place, discussed, areas for improvements identified and targets set which is evidenced in the Governing Body minutes.
- A self-evaluation of Governing Body competencies is completed by the Finance Committee.
- A self-evaluation of Staff Financial Management competencies is completed.
- There is evidence that earmarked funds are clearly identified and are dealt with in accordance with the relevant terms and conditions.
- There is evidence that a recent Risk Controls Self-Assessments has been carried out.

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Examples of evidence required:

Note: Governing Body & Finance Committee minutes - Submit minutes for last 3 meetings plus any others which have relevant evidence including associated reports

Standard Ref	Document/Evidence
1.1	Governing Body Remits/Terms of Reference. Governing Body Committee Structures. Committee Minutes - approval of Scheme of Delegation. Officer Job Descriptions. Governor Induction Pack - Governors aware of their responsibilities. Internal Financial Procedures Document. Any newsletters/information where Governors are made aware of key issues.
1.2	Governing Body Remits/Terms of Reference. Governing Body & Finance Committee Minutes. Clarification of Governors participation in meetings. Governing Body & Finance Committee Meetings - Timetable (e.g. budget timetable - meetings match deadlines for budget setting).
1.3	Committee Minutes - approval of budget. - evidence of budget monitoring/changes to budget Budget - Evidence of preparation (file?) - details of any changes to budget - evidence of budget monitoring (any other info than committee minutes reports, etc. Also see 3.1 Headteacher & Bursar reports). Inspection reports relating to the budget/finances (other than internal audit)
1.4	Committee Minutes - evidence where the Statement of Internal Control is discussed. Signed Statement of Internal Control.
1.5	Committee Minutes - evidence relating to declaration of interests Register of Business Interests. Governing Body approval of a Whistle Blowing Policy which is in line with the principles of Trafford Council's or the principles of Trafford Council's Whistle Blowing Policy. Verification of schools awareness of Whistle Blowing Policy. Verification of who clerks the Governing Body and Finance Committees (name and status).
2.1	Completed self evaluation of Governing Body competencies. Governor Induction Pack - Includes details of finance related aspects (example documents are school development plan, latest budget reports and minutes of the last Governing Body and Finance meetings). Evidence that Governors have been given opportunity or have attended training courses and associated budgets allocated for this.
2.2	Governing Body minutes - approval of latest Staffing Structure. Also, any relevant documentation. Action plan for implementation of structure. Completed self evaluations of staff financial management competencies. Job description/person spec re staff with key financial responsibilities. Evidence of performance management targets for staff. Evidence of financial training received by staff and associated budgets

	allocated for this.
3.1	School Development Plan - evidence that it is reflected in the annual budget and in the School's three year budget plans. Governing Body minutes - approval of current budget. Headteacher's & Finance Manager's reports to Governors on the budget (also see budget 1.3 above) including details of any changes to the budget. Also, reasons for any surplus and proposals for possible spending. Accounting Records/12 month's bank statements/cash flow statements where applicable.
3.2	Evidence of benchmarking and associated findings/resultant action where applicable. Governing Body minutes - evidence that benchmarking is brought to Governors attention and any agreed action.
4.1	Evidence that the Scheme for Financing Schools is available at the School and covered in Governor Training.
4.2	Evidence re school regulations/procedures for procuring goods and services e.g. procedure manual. Evidence that quotes are obtained and reasons for supplier used. Evidence that for any large or complex issues expert advice is obtained. Best Value Statement - verification of how Best Value Statement was compiled. Committee Minutes - evidence of LA Service Level Agreement approved.
5.1	Budget - last 3 term's reports provided to the Finance Committee from the schools Financial Management System. Evidence that earmarked and similar funding (e.g. Standard Funds) has been clearly allocated on the Financial Management System.
5.2	Scheme for Financing Schools is available at the School. Evidence that LA Scheme of Delegation requirements are met in an accurate and timely manner (evidence sort from Children and Young People's Service) .
5.3	Clarification of compilation of the Consistent Financial Reporting return from the underlying records at school (evidence sort from Children and Young People's Service) .
5.4	Verification of access to the Authority's Regulations and Standing Orders for Schools. School's own financial regulations (consistent with the Authority's). Governing Body minutes - evidence of approval.
5.5	Copy of school's financial procedures (if not covered above). Governing Body minutes - evidence of approval.
5.6	Verification of system used & check records are up to date. Evidence that bank reconciliations take place regularly and are independently reviewed. Verification that control accounts are cleared on a regular basis. Clarification of competence in dealing with VAT returns and other records (evidence sort from Children and Young People's Service) .
5.7	Completed Control Risk Self Assessment. Audit and other inspection reports (other than internal audit). Action plan implementing any recommendations/findings from Control Risk Self Assessment, Audit or other inspection. An up to date position against the original action plan. Confirmation of any significant changes since the last Audit review.