

A statement from the Implementation Review Unit (published 18/4/07)

POSITION STATEMENT ON FINANCIAL MANAGEMENT STANDARDS IN SCHOOLS:

“The Panel welcomes the introduction of the Financial Management Standards in Schools and believes that the standards provide a sound framework for the discharge of schools’ financial responsibilities. We are pleased that the Department consulted widely on the production of the standards, involved practitioners in the process and has provided continued support and guidance. Experience of the introduction of the standards into secondary schools has however given rise to a number of concerns the Department needs to consider and respond to before the standards are rolled out to primary schools.

The Panel has concerns about the variation in practices between Local Authorities over the introduction of standards. Some Authorities have taken a realistic approach that minimises the burdens on schools and offers light touch accreditation in appropriate circumstances. Regrettably, the approach of some other Local Authorities has led to panel members fielding strong concerns from colleagues about unnecessary workload, heavy handed approaches and duplication with existing audit procedures. The recent capability review identified the need for the Department to manage the delivery chain involved in the implementation of policy. We feel that this is a classic example of where the Department needs to do this. The Panel wants to see the Department deliver on the intention to manage the delivery chain by sending a clear message to Local Authorities that they are all expected to be adopting the best practice and minimising the burden on schools.

There are concerns about recommendations within the standards being taken as mandatory and overly burdensome and prescriptive expectations for evidence to support the standards. As an example the standards expect there to be appropriate induction procedures for new staff and governors with financial responsibilities. We have concerns that there are cases where this has been taken as meaning that schools must invest time to produce handbooks of guidance – and instances where the prescription goes even further with a requirement that such a handbook must contain the full scheme of financial delegation. Schools should be able to consider the most appropriate method and content of induction that may include training sessions and a shorter summary with cross references to other sources of existing information such as the Governors ‘Guide to the Law’ publication and other documents. There seems to be an expectation in some Authorities that the standards require significant amounts of written evidence rather than the most appropriate evidence.

Feedback to panel members has indicated that undertaking the work to meet the standards and the time for assessment has taken between 4 and 10 working days depending on the school’s state of readiness, the support provided by the LA and the expectations of the assessor. Although there are clear benefits arising from the standards it has to be recognised that in most primary schools, this additional workload will need to be met from a much

more limited staffing resource than in secondary schools and will often add to the already unrealistic expectations placed on head teachers. The Panel feel that it is not appropriate to expect primary schools to undertake this additional work without additional funds to cover staff to be released from existing duties to undertake the work and/or to enable them to bring in external support. Additionally, the cost of external accreditation is likely to be a much higher proportion of a primary school budget and should be centrally funded. In the future there is a need to look at how the standards link with audit arrangements within Local Authorities. Used positively, they should lead to regular lighter touch audits of school finances with the frequency and depth of audits being proportionate to the considered risks in individual schools.” The Panel welcomes feedback on the implementation of the standards to inform discussions with the Department. This can be made to iru.panel@dfes.gsi.gov.uk