

**SOUTHWARK CHILDREN'S SERVICES
SCHOOLS FORUM**

Members are requested to attend a meeting to be held at: **Notre Dame High School,
118 St George's Rd, London SE1 6EX**

Thursday 3rd October 2019 3.45pm – 5.45pm

Clerk: David Cross Email: xdavidcross@yahoo.co.uk

All documents distributed in advance will be taken as read

ITEM

Clerk to lead

1. Apologies for Absence, quorum and welcome to new members (5 minutes)
2. Election of Chair (5 minutes)
3. Election of Vice Chair (5 minutes)

Newly elected Chair to chair the meeting

4. Declaration of interests – the Education (Schools Government) Regulations 1989 (as amended) oblige members with a pecuniary interest in a contract or other matter to disclose the fact, to withdraw from the meeting when it is being discussed and not vote on it.
5. Minutes of the Meeting of 4th July 2019 (5 minutes)
6. Matters Arising not on the Agenda (5 minutes)
 - a) 4.2 - 2018-19 Outturn to be confirmed by Audit -LA to confirm
 - b) 5.5 - Report back by LA on clawback of balances
 - c) 5.6 - Accuracy of Special School published balances -LA to confirm
7. Dedicated Schools Grant 2019-20 Budget Monitor (20 minutes)
8. Teachers Pay and Pensions Grants - verbal report (5 minutes)
9. Dedicated Schools Grant Deficit Recovery Plan (30 minutes)
10. High Needs sub group feedback (10 minutes)
11. LA Financial Transparency Consultation update (10 minutes)
12. Annual Audit Report 2018-19 (10 minutes)
13. A.O.B. Any items must be with the Clerk by Noon 30th September 2019 (5 minutes)
14. Dates of Further Meetings for 2019/20

5 December 2019, 16 January 2020, 19 March 2020, 14 May 2020 and 9 July 2020

<i>Date:</i> 3 October 2019	Item 7	<i>Type of report:</i> For information
Report title:	Schools Budget Monitoring and Financial Update	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This report sets out the budget monitoring position as at 31st August 2019 of the central budgets of the Dedicated Schools Grant and updates the Schools Forum on the recent events in schools finance.

Schools Forum Actions

The Schools Forum is asked :

- To note budget monitoring position on the Dedicated Schools Grant, which shows an overspend of £6.5m.
- To note the position on the de-delegated funds.
- To note the details so far available on the funding announcement for schools.
- To note the position on the adjustment for permanent exclusions.

1. Budget Monitoring

1.1 The overall budget monitoring position as at 31st August 2019 is summarised in the table below:

	DSG Allocation 2019-20 £m	Over/ (Underspend) £m
Schools Block	123.6	0.0
High Needs Block	1.7	6.5
Early Years Block	42.3	0.0
Central Services	26.7	0.0
Total	194.3	6.5
Carried Forward		11.5
Total		18.0

It should be noted that these figures are after the recoupment by the EFSA for academies but before any transfer between the various blocks and the figures now

include the adjustment relating to the pupil numbers in January for Early Years pupils and Special Education Needs Children in other Local Authorities

2 High Needs Block

The outturn position for the DSG as at 31 March 2019 was an £11.5m deficit (deficit as at 31 March 2018 was £4.1m).

- 2.1 The current forecast indicates a £6.5m in year pressure on DSG. This is an increase of £0.5m on the last forecast and is largely due to increased recoupment from the high needs block. The forecast is predicated on a set level of increased activity and assumed unit cost values. Should these assumptions change significantly during the year, then the forecast will change. Given that much of the spend is demand-led (high needs block) or participation-led (early years block), the forecast needs to be treated with caution.

3. Financial Position On De-delegated Budgets And Growth Fund

The summary position is shown in the table below:

2019-20	Budget £m	Forecast Outturn £m	Over/(Underspend) £m
Schools in financial difficulty	0.5	0.5	0
Behaviour Support services	1.6	1.6	0
Maternity	0.8	0.8	0
Trade Unions	0.1	0.1	0
Growth Funds	0.1	0.1	0
Falling Rolls	0.1	0.1	0

- 3.1 The Schools in Financial Difficulty Fund is, perhaps not surprisingly showing signs of pressure. At the moment it is unknown how many applications for funding will be received during this Autumn Term. If they are significant, the fund would be in deficit and the shortfall would be carried over to the next financial year.
- 3.2 The growth fund has been fully allocated but no further calls are expected on this.
- 3.3 The falling rolls fund has been used for one application and currently there is an uncommitted balance of £50k. One bid is already expected to be submitted when the window opens late this year. It is unknown whether there will be further applications at this stage.
- 3.4 Over the past few years the Trade Unions fund has been under pressure. At the request of the Local Authority, the Schools Forum changed the method of allocating funds to reimburse the cost of supply based on an average rate. This is now confirmed as £280 per day. It is expected the fund will be balanced at the end of the year.

4. Schools Financial Announcement

4.1 The Minister of State for School Standards made an announcement on school funding in parliament on the 9 September 2019 which confirmed that funding for schools and high needs (compared to 2019-20) will rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23.

4.2 In 2020-21, this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF). The Department for Education will publish provisional NFF allocations at local authority and school level in October, including local authorities' final primary and secondary units of funding for the Schools Block.

4.3 While we await details of the October announcements the following are the key elements:

- The funding floor will be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil allocations for all schools in real terms. This minimum increase in 2020-21 allocations will be based on the individual school's NFF allocation in 2019-20.
- Schools that are funded at NFF levels will benefit from an increase of 4% to the formula's core factors. (Southwark schools are already funded at a level higher than this.)
- The minimum per pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The following year, in 2021-22, the primary minimum level will rise to £4,000. (Southwark schools are already funded at a level higher than this.)
- The government's intention is still to move to a 'hard' NFF for schools – where budgets will be set on the basis of a single, national formula. They still recognise that this will represent a significant change and will work closely with local authorities, schools and others to make this transition as smoothly as possible.
- In 2020-21 local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area. However, as a first step towards hardening the formula, from 2020-21 the government will make the use of the national minimum per pupil funding levels, at the values in the school NFF, compulsory for local authorities to use in their own funding formulae.
- Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2020-21 must be between +0.5% and +1.84%. This allows them to mirror the real terms protection in the NFF, which is the Government's expectation.
- Local authorities can only transfer up to 0.5% of their School Block to other blocks of the DSG, with the Schools Forum approval. To transfer more than this, or any amount without approval, the LA will have to make

a request to the Department for Education, even if the same amount was agreed in the past two years.

- 4.4 The important matter for Southwark Schools is what does this mean. Southwark is the 3rd best funded authority in the country and will not benefit from the minimum funding level increases. (The Department is consulting on the methodology used on this over the summer.) It is expected that we will receive the minimum level increase of 1.84%, although clarity is awaited on exactly how this is calculated.
- 4.5 This is a better position than the past few years as it will almost allow for inflation, although it is of course just a stand still budget. The current budget returns from schools for this financial year show that 3 out of 4 of our schools are running an in-year deficit. This means they are spending more than they are receiving in income in the current year, i.e. the expenditure in many of our schools is still too high. An increase of 1.84% for inflation is a stand still position and does not address the fact the expenditure is too high in many of our schools.
- 4.6 The details of the high needs announcement is provided in the high needs sub group report on this agenda.

5. Risk Protection Arrangements (RPA)

- 5.1 The Department for Education are also looking at extending their risk protection scheme for academies to all schools. The current consultation opened on the 9 September 2019 and closes 4 November 2019 document. Currently officers in the council's insurance team are examining the details along with the council's insurer.
- 5.2 The scheme covers amongst other things
- Material Damage
 - Business Interruption
 - Employers' Liability
 - Third Party Public Liability
 - Governors Liability
 - Professional Indemnity
 - Employee and Third Party Dishonesty
 - Personal Accident
 - United Kingdom Travel
 - Overseas Travel (Non UK) Travel Expense, including winter sports
 - Legal Expenses
 - Cultural Assets
- 5.3 The consultation can be found on

https://consult.education.gov.uk/risk-protection-arrangement-team/extending-the-academies-risk-protection-arrangemen/supporting_documents/Extending%20the%20Academies%20Risk%20Protection%20Arrangement%20to%20LA%20Maintained%20Schools%20LAMS.pdf

6. Consultation On The Implementation Of The Mandatory Minimum Per Pupil Funding Levels

- 6.1 This consultation seeks views on the implementation of the mandatory minimum per pupil funding levels in the national funding formula which are to be used by local authorities in their local formula. Due to the funding levels in Southwark, this will not have any impact on our allocations. Nationally however, the minimum funding levels need financing and there is an impact on the funding available to the rest of schools including, Southwark schools.

The consultation opened on the 10 September and closes on the 22 October 2019.

- 6.2 The local authority will respond on the basis that due to the lower level of increase for settlements to London Authorities, this has had a negative impact on children from the most deprived parts of the country.

7. Permanent Exclusions

- 7.1 Where pupils are permanently excluded, funding should flow in-year from the school that has excluded the pupil to the school that takes responsibility for the pupil. This is a requirement of the national funding regulations, but has not been happening in Southwark. If a school subsequently admits a pupil who has been permanently excluded during that financial year, it should then receive additional funding. This also applies to pupils who leave a mainstream school for reasons other than permanent exclusion, and are receiving education funded by the local authority other than at a school.
- 7.2 The provisions also act independently of whether a particular pupil has been on the census in the first place, and whether the school has received funding for them.
- 7.3 There is no intention to backdate these statutory adjustments, but as we now have the summer term data we will be making the funding adjustments from the 1 April 2019. Going forward the adjustments will be made termly retrospectively.

Deductions From The Excluding School's Budget

- 7.4 When a pupil is excluded from a mainstream maintained school, the local authority must deduct from the school's budget in-year the amount within the formula relating to the age and personal circumstances of that pupil, pro rata to the number of complete weeks remaining in the financial year from the 'relevant date'.
- 7.5 This means the deduction should cover not just the basic entitlement but also the relevant amounts for pupil-led factors, such as free school meals or English as an additional language, where the pupil would attract funding through those criteria.
- 7.6 Where the pupil is funded according to the post-16 formula, the amount attributable to the pupil is £4,000.

- 7.7 The finance regulations apply specifically to mainstream maintained schools, the adjustment to academies budget will depend on their individual funding agreement. Most funding agreements make provision for these adjustments but some of the oldest academies do not have any provisions in their funding agreement. In these situations, any adjustments would have to be by agreement between the local authority and the academy.
- 7.8 The 'relevant date for the adjustment' is the sixth school day following the date of permanent exclusion.
- 7.9 The following worked example demonstrates how the deduction from the excluding school's budget should be calculated, where the 'relevant date' is 1 October, with 26 weeks remaining in the financial year.

Funding formula factor	Amount
Basic entitlement	£4,000
Free school meals	£500
English as an additional language	£300
Sub-total	£4,800
Pro-rata total for 26 weeks	£2,400
Deduction from excluding school's budget	£2,400

- 7.10 Where the excluded pupil is eligible for the pupil premium, the budget must be adjusted on the same basis as the calculations above and the adjustment for a particular exclusion relates only to the current financial year and cannot be applied to subsequent years.
- 7.11 Where a mainstream maintained school admits a pupil who has previously been permanently excluded, then the authority must increase the school's budget in-year.

The Schools Forum is asked to note this report

Date: 3 October 2019	Item 9	<i>Type of report:</i> For information
Report title:	Draft DSG Budget Recovery Plan	
Author name and contact details:	Russell Dyer/ Dave Richards russell.dyer@southwark.gov.uk dave.richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This report sets out the progress made to date in relation to the required Education Funding & Skills Agency (EFSA) Draft Dedicated Schools Grant Recovery Plan which was discussed at the Schools Forum July meeting.

Schools Forum Actions are to note:

- The correspondence between the LA and the ESFA on the matter.
- That there is a meeting scheduled with the EFSA and feedback will be given by the end of September
- The impact of the announcement of additional funding may have upon the draft plan.

1. Update on Progress on the Draft Plan since July 2019

- 1.1 Following the July meeting of the Schools Forum the Draft Plan was submitted to ESFA noting the comments and observations made at that meeting.
- 1.2 The Authority's Chief Financial Officer (CFO) wrote to the Secretary of State on 16 August 2019 concerning the Draft Plan. This letter is attached as *Appendix 1* to this report.
- 1.3 Subsequent to this, there was a national announcement of £700m extra funding for the High Needs blocks for 2020-21. We have estimated that this would equate to £3.7m based pro-rata upon our share of the additional £125m in each of 2018-19 and 2019-20. We have revised and updated the 2019-20 and 2020-21 part of the draft plan to reflect the latest in year monitoring position in 2019-20 (detail given in a separate report) and also to reflect the likely additional funding in 2020-21. This is attached as Appendix 2 to the report.
- 1.3 The changes to the Draft Plan need to be treated with caution given that assumptions are made on savings, growth and block transfers which may turn out to be different. The later years in the Draft Plan have not yet been re-modelled given that many of the savings then were at a very early stage of development. This work will be done by the end of the calendar year.
- 1.4 Our CFO received a letter from the DFE on 9 September in response to his letter of 16 August, which is attached as *Appendix 3*. This indicated that there would be further feedback and a meeting on the draft plan by the end of September (a verbal

update will be given if this has happened in the meantime). Subsequent to that the CFO has responded to the letter, attached as *Appendix 4*.

- 1.5 A further meeting of the Schools Forum High Needs sub group was held in September 2019 and the detail of it is a separate report on the agenda.

The Schools Forum is asked to note the actions in this report

Appendix 1



Duncan Whitfield
Strategic Director of Finance & Governance

Finance & Governance
duncan.whitfield@southwark.gov.uk
Tel: 020 7525 7180

Date: 16 August 2019

Dear Secretary of State,

Dedicated Schools Grant (DSG) Recovery – London Borough of Southwark

I refer to the draft DSG recovery plan for the London Borough of Southwark which was submitted to your department on 30 June 2019. Subsequently, and given the significant impact that any plan would have upon them and their key role in approving the use of DSG monies, the draft plan has now been considered by Southwark Schools Forum.

This letter to you follows that Southwark Schools Forum meeting and further detailed consideration of the draft plan. Not least this further review has taken place in the context of the growing demand still being evidenced as we move into the 2019/20 financial year. In further context, the accumulated deficit on the DSG High Needs block for Southwark stands at £11.5m as at March 31st 2019. At current levels of demand and in accordance with statutory standards of service, I now expect this deficit to have increased to something in excess of £17.5m by the end of this financial year.

Of course, the Council remains committed to addressing financial pressures within the DSG High Needs Block to the extent that it is permitted to do so by legislation and also for factors within our control. This includes issues such as alternative provision and central retentions. However, for avoidance of doubt these actions will not fully provide for the annual deficit moving forward and certainly will not address the accumulated deficit.

In writing to you, I should refer you to the letter that you have received from the Presidents of the Society of London Treasurers, the Society of County Treasurers and the Society of Municipal Treasurers dated 2nd August 2019. Following earlier correspondence with your predecessor, this letter has once again spelt out the scale of the funding shortfall across the country and illustrates the fact that the funding difficulties being experienced in Southwark are far from unique.

As noted in the covering report to the draft DSG recovery plan, I must reiterate that there are a number of serious caveats, risks and qualifications to be made. This makes my personal *sign off* of that draft plan in my statutory role extremely challenging. The Southwark Schools Forum have noted these challenges and have asked that I emphasise these to you and place these on the record, particularly in relation to the absence of additional Government funding to cater for the demands on the DSG that have been created specifically as a consequence of Government reforms dating back to 2014. These relate to :

Lack of funding for the 19-25 age range

The extension to 19-25 in SEND became a responsibility in September 2014. This was an additional responsibility with no increased funding. Our numbers in this age range have increased over the period and currently stand at 273 young adults with disabilities. We estimate our annual costs for this cohort will be around £5.5m. We further estimate that our cumulative funding deficit in this area over the period to 31 March 2019 to be around £9m out of our total deficit of £11.5m (or 78%). Therefore, a very considerable proportion of both our structural and cumulative deficit relates directly to the significant underfunding of this area arising from the Government reforms. This cohort has also driven additional transport costs for the LA of c£0.6m pa. At this time, this element is largely funded from the Council's general fund, placing further burden on council tax payers and other council services.

Growth of EHCPs (0-18, excluding 19-25)

Since the start of the SEN reforms in September 2014 Southwark has seen a significant increase in EHCPs to 2019; this represents c£7m growth in spend over the period. It is clear that this increase in plans flowing from increased responsibilities and expectations is not being recognised in the current system of funding provided by Government. Moreover this does not recognise a range of factors such as demographics (including high levels of BAME and new arrivals) of inner London, increased complexity associated with nearby nationally renowned NHS provision, increases in youth knife crime and also the marked increase in Autistic Spectrum Disorder diagnosis as part of a broader trend.

Risks associated with further block transfers from Schools Block to High Needs Block

You will note from our draft DSG recovery plan that further measures are planned for block transfers for 2020-21 and 2021-22 for £1.9m and £0.8m respectively. These measures will necessitate reductions to schools funding. This represents a considerable risk to our schools who are struggling with real term reductions to funding as well as challenges such as falling rolls. We currently have 16 of our 60 maintained primary schools in deficit which we believe is one of the highest ratios in London. Implementation of this planned measure will potentially be de-stabilising to the finances of a number of our schools. In addition, this could be a risk to maintaining our current high level of attainment and also number schools in Ofsted Good or Outstanding categories.

This risk would be replicated in Secondary schools in the borough the majority of whom are commissioned directly by your department.

Overall assessment of the DSG recovery in Southwark

In the light of the above, unless significant additional funding is made available to fund the growth in EHCPs 0-18 and also for the unfunded 19-25 cohort, it is unlikely that the structural deficit can be addressed in the next 3 years. Additionally, the issue of the funding of the accumulated deficit that now sits on the Council's balance sheet remains. The extent of this deficit as set out above compromises seriously the future financial resilience and sustainability of services offered by the Council and must now be addressed urgently by your department.

I am sorry that I need to share these issues with you directly but I am certain that you will appreciate that these issues are collectively of considerable concern to myself as statutory Section 151 officer, particularly as the most significant elements of the deficit relate to inadequate funding from Government to recognise additional responsibilities and changing expectations from the reforms that the Government introduced in 2014.

Southwark Council and Southwark Schools Forum would welcome further dialogue with you and representatives from your department on this matter. However, we must reach an early conclusion to resolve the critical issue of funding these new burdens that have been emerging for the last five years.

Please be in no doubt that this Council is committed fully to working together to address our shared responsibilities for the education of our children in a sustainable system that gives them the best start in life.

Yours sincerely,



Duncan Whitfield
Strategic Director of Finance & Governance

Appendix 2

This is a separate excel spreadsheet file that is “wide” and goes beyond landscape
But has two tabs and around 50 rows per tab

Appendix 3



Dear Mr Whitfield

Thank you for your letter of 16 August 2019 to the Secretary of State about your dedicated schools grant recovery plan, and specifically high needs funding. I have been asked to respond as my team deal with local authority funding.

On Friday 30 August, the department announced that schools in England are set to receive a giant cash boost as the government plans to invest £14 billion in primary and secondary education between now and 2022 to 2023.

The funding package for 5-16 schools includes £2.6 billion for 2020 to 2021, £4.8 billion for 2021 to 2022, and £7.1 billion for 2022 to 2023 compared to 2019 to 2020. This will bring the schools budget to £52.2bn in 2022 to 2023.

The announcement delivers on the Prime Minister's pledge to increase school funding by £4.6 billion above inflation, giving all young people the same opportunities to succeed, regardless of where they grow up or go to school.

You will also be pleased to know that the additional funding includes £700 million extra for children with Special Educational Needs and Disabilities in 2020 to 2021. This should go some way to mitigating the need to transfer funds from the schools block to the high needs block.

You will also be aware that the Secretary of State announced on 17 December 2018 an additional £250 million of high needs funding - £125 million for 2018 to 2019, and £125 million for 2019 to 2020.

The Secretary of State also announced a further £100 million top-up to the Special Provision Capital Fund for local authorities in 2019-20, to take our total investment to £365 million across 2018-21 for the new places and improved facilities local authorities identified they needed.

While there is more money going into our schools than ever before, we recognise the budgeting challenges schools face. That is why we have taken a number of steps, working with the sector, to help schools manage their resources to get the best value for every pound. We have launched a Supporting School Resource Management strategy, which provides school leaders with an increasingly wide range of practical support, deals and tools, including helping schools reduce their costs on things like energy, water bills and materials.

This can be found at: <https://www.gov.uk/government/publications/supporting-excellent-school-resource-management>.

I hope this reassures you that we do listen to concerns from those in the education sector and that the government is acting upon them.

We will provide more details of the settlement in due course.

We will contact you by the end of September with feedback on your recovery plan. This will include a request for a meeting which will be an opportunity to discuss the concerns in your plan in more detail and the impact that the additional funding is likely to have on your forecasts.

Yours sincerely

Francis McGoldrick
AMSD Funding Division, Education and Skills Funding Agency, Department for
Education

Appendix 4



Duncan Whitfield
Strategic Director of Finance & Governance

Finance & Governance
duncan.whitfield@southwark.gov.uk

Tel: 020 7525 7180

Date: 24 September 2019

Dear Francis McGoldrick,

Draft Southwark DSG Recovery Plan

Thank you for your letter of 9 September 2019 which was in response to my letter of 16 August 2019 to the Secretary of State.

I look forward to receiving feedback on the draft Southwark DSG Recovery Plan by the end of this month. I also look forward to meeting with you to discuss this plan and the wider context as soon as possible. Would you be able to provide some possible dates please? It will be helpful for us to discuss our concerns, many of which remain despite the recent announcement of additional funding for high needs and schools.

This announcement is very much welcomed, however, you will appreciate that more detail is required before this can be factored into our draft local plans and before we can make further comment. In the absence of confirmation of the allocation to Southwark, it appears extremely unlikely that this new allocation will be sufficient to address the structural funding gap in 2020/21 and beyond. We also need to understand whether the funding continues after 2020/21. Of particular concern is that this additional funding does nothing to address the accumulated deficit of the DSG which is currently on the Council's balance sheet and is estimated to rise to at least £17m by the end of this financial year, as set out in my letter to the Secretary of State.

Your letter also referred to earlier announcements regarding capital and revenue funding announced in 2018. As you can appreciate these are already factored into our Draft DSG Recovery Plan.

Whilst we welcome and fully support the Supporting School Resource Management Strategy and will of course engage fully in this process with schools and the department, we will again need to wait for further details before we can comment further.

Finally, I would wish to reiterate the problem that we face together with the Department, namely that reforms introduced to SEND in 2014/15 have resulted in more children being

eligible for specialist and high cost provision and critically for a longer period up to age 25. An urgent resolution is still required to address this funding shortfall, not the least in the context of the financial resilience of the Council and the potential impact across all Council Services and Council Tax payers.

Thank you for your continued help in this matter.

Yours sincerely



Duncan Whitfield

Strategic Director of Finance & Governance

Cc: Secretary of State for Education

Southwark Schools Forum

<i>Date:</i> 4 July 2019	Item 10	<i>Type of report:</i> For Decision
Report title:	Report of the High Needs Sub-Group	
Author name and contact details:	Russell Dyer / Dave Richards russell.dyer@southwark.gov.uk dave.richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer / Dave Richards	

Executive Summary

This report provides an update of the work of the Schools Forum High Needs sub-group. The latest sub-group meeting was on the 19 September 2019.

Schools Forum Actions

The Schools Forum are asked to note the high needs funding announcement and agree the autism resource base unit top-up rates be revised from 1 January 2020

1.0 Background

1.1 The High Needs Sub Group set up by the LA to review the costs of funding high needs pupils. Specifically, the group were asked to consider how the spending in the High Needs Block could be brought back in line with the allocation from the Department for Education while maintaining the outcomes for children. The task group was asked to

- Review all funding within the High Needs block to ensure it is delivering value for money
- Consider the capacity and funding of resource bases
- Consider the capacity and funding of Special Schools
- Consider the funding levels of Education, Health and Care Plans
- Consider the capacity and funding of Alternative Provision
- Review the funding of early years and post 16 places to assess the level of needs and resources
- Review the centrally managed items
- Secure the support of the Schools Forum for its proposals.

The group was originally asked to complete its work by the end of November 2018 and subsequently to provide the Schools Forum with an interim report in December 2018 and a final report in December 2019. A summary of the agreed savings for 2019/20 and planned savings for 2020/21 are shown in Appendix 2 of the Deficit Recovery Plan agenda item (a separate excel spreadsheet)

1.2 The Sub-Group is currently looking at the following areas

- Corporate overheads and transport
- A further school block transfer
- A different funding mechanism/source for SENDIF
- The appropriate level of the Minimum Funding Guarantee for Special Schools and Early Year's funding rates
- To review the LAC Education budget

The sub-group also looked at the recent funding announcement.

1.3 Funding Announcement

The group was updated on the recent financial announcements.

The Minister of State for School Standards made an announcement on school funding in parliament on the 9 September 2019 which confirmed that funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23.

In 2020-21, this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF).

The High Needs NFF for 2020-21 will have the same factors as at present and of the funding announced, there will be £700 million of additional funding for High Needs.

Whilst we await the precise calculations this should -

- Ensure that every local authority will receive an increase of at least 8% per head of 2 to 18 population through the funding floor. This minimum increase in 2020-21 allocations will be based on local authorities' high needs allocations in 2019-20, including the additional £125 million announced in December 2018.
- Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated on the basis of per head of population.

As with its schools, Southwark is one of the highest funded authorities in the country for high needs, it is expected that we will receive the minimum increase of 8%. We are expecting that this will be £3.7m, although we will need to see the precise details of the calculation.

1.4 Resource Bases

The sub-group had previously looked at the funding of the autism bases and further to consideration of reviews of the bases in 2018/19 and pan-London benchmarking of the funding of like provisions, they recommend a change in the top-up funding rate from £14,430 to £11,930. Schools Forum is asked for its view on an implementation date of January 1st, 2020.

The report from the consultants on the Dyslexia Centre is still to be discussed by the group in detail.

1.5 **Government SEND Review**

Five years on from the Children and Families Act, the government has announced the launch of a cross-cutting review of SEND. The internal review will look across education, health and care to consider:

- The evidence on how the system can provide the highest quality support that enables children and young people with SEND to thrive and prepare for adulthood, including employment;
- Better helping parents to make decisions about what kind of support will be best for their child;
- Making sure support in different local areas is consistent, and that high-quality support is available across the country;
- How we strike the right balance of state-funded provisions across inclusive mainstream and specialist places;
- Aligning incentives and accountability for schools, colleges and local authorities to make sure they provide the best possible support for children and young people with SEND;
- Understanding what is causing the demand for education, health and care plans; and
- Ensuring that public money is spent in an efficient, effective and sustainable manner, placing a premium on securing high quality outcomes for those children and young people who need additional support.

1.6 **Other discussions**

The group has started the review of the LAC Education budget and have asked for further details from officers. There was also a discussion about introducing a new banding system for special schools which will be discussed in more detail, but this will be long term project.

<i>Date:</i> 3 October 2019	Item 11	<i>Type of report:</i> For information
Report title:	Financial Transparency	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

The Department for Education (DFE) over the summer issued a consultation on the Financial Transparency of local authority maintained schools and academy trusts. This report provides the response the Local Authority has made to the consultation.

Schools Forum Actions

The Schools Forum is asked to note the response and give any comments.

2. Background

- 1.1 The purpose of this consultation is to outline the current financial transparency arrangements for academy trusts and maintained schools, and to consider possible changes. While both types of school are now funded through a specific grant – the DSG for maintained schools and General Annual Grant for academy trusts – current financial transparency arrangements are different and provide different levels of assurance.
- 1.2 The Department for Education wish to look at ways of improving transparency in the financial health of LA maintained schools, and believe that a number of transparency measures currently used in the academy trust sector could be adapted for LA maintained schools.
- 1.2 The consultation opened on 17 July 2019 and closes on the 30 September 2019.
- 1.4 The DFE recognises that some new measures may potentially create additional burdens on local authorities and schools. They feel that the benefits of the new measures proposed outweigh the potential burdens. There is a specific information provided on this for schools and local authorities to estimate the cost.
- 1.5 The DFE has broken the consultation down to into eight issues, which are as follows:

Issue	Background
1	Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections
2	Strengthening DSG annual assurance returns made by the Chief Financial Authority
3	Schools providing local authorities with 3-year budget forecasts
4	Strengthening Related Party Transaction arrangements in maintained schools

5	Increasing the frequency of Maintained Schools internal audit
6	Requiring schools to submit a recovery plan to their maintaining authority when their revenue deficit rises above 5%. Collecting information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.
7	The lack of transparency when it comes to reporting high pay for school staff
8	The lack of transparency when it comes to reporting maintained school income and expenditure and the publishing of schools' annual accounts on their websites.

3. Details

The purpose of this report is not to reiterate the contents of the consultation which can be found in at:

https://consult.education.gov.uk/funding-policy-unit/financial-transparency-of-local-authority-mainta/supporting_documents/LA%20Financial%20Transparency%20Consultation.pdf

The draft response from the Local Authority can be found in Appendix A.

The response has been drafted to hopefully provide a balance between what is deemed good practice and the financial burden of delivering the proposals.

The Schools Forum is asked to make any comments and as the consultation was held over the summer in the absence of schools, the Forum may wish to write separately to the DfE.

The main thrust of the response has been to

- Support three year budgets in schools
- Ensure all schools with deficits have a recovery plan
- Minimise the cost burdens as much as possible

Schools may also wish to respond separately given that the proposals would result in an increased burden on them.

Proposals

Proposal 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections

Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns and believe similar measures could be used in the LA maintained schools sector.

1) Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to publish the names of local authorities on GOV.UK who fail to comply in any financial year with more than two deadlines from the following collections:			
School Financial Value Standard (SFVS)		✓	
Dedicated Schools Grant CFO assurance statement		✓	
Consistent Financial Reporting		✓	
Section 251 Budget		✓	
Section 251 Outturn		✓	

Comments

We don't feel that naming Local Authorities in the public domain is helpful and is even regrettable. Over the past few years the government's austerity programme has significantly reduced Local Authority capacity as well as bringing the deadlines forward. By naming authorities you will encourage early submission but the quality of data may be impacted. We suggest you look at

- 1) The deadlines themselves to see if they are appropriate and necessary
- 2) The cost of meeting the deadlines
- 3) The department collecting the information by better national portals
- 4) The department having user friendly IT collection portals
- 5) That the S251 is rationalised with the RO/RA reports for MHCLG

Proposal 2a: Strengthening DSG annual assurance returns: Collecting the number of schools with suspended budgets and notices of financial concern through existing DSG assurance statement

1) Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year.		✓	

Comments

We would need clarity on how you will use this information before agreeing to it being released as this information could damage the reputation of the school further and make it more difficult to turn the financial position around. We would be reluctant to issue data without putting the circumstances into context and this creates a financial burden for the authority.

Proposal 2b: Strengthening DSG annual assurance returns: Adding a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud

Please refer to paragraphs 3.11 - 3.15 of the consultation document before responding to this proposal.

Currently, local authorities recover funds from fraud investigations but only inform DfE of the number and value of reported cases, not the value of money recovered

- 1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud	✓		

Comments

Proposal 3: Requiring maintained schools to provide local authorities with 3-year budget forecasts

Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. We have recently introduced a requirement for academies to send the department a three-year budget plan and we believe that this could be extended to maintained schools in the form of sending a three-year budget plan to their maintained authority.

- 1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts	✓		

Comments

We would welcome long term planning but we feel that to do this successfully then early planning is equally important and should sit beside it. You should consider the dates by when schools submit their budgets to Local Authorities. A number of schools will need support with this and this will come at a financial burden. This recommendation would also be assisted by the provision of multi year settlements which was a feature in the past.

Proposals 4 (a,b,c): Strengthening Related Party Transaction arrangements in maintained schools:

Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA’s on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 must be declared.

The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts.

Proposal 4a: : Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can be passed on to the department

- 1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make schools append a list of RPTs to their response to the new question in the SFVS about their arrangements for managing RPTs. In addition, we would insert additional columns into the CFO Assurance Statement, to request the number of RPTs and value for each to be disclosed.	✓		

Comments

To collect this information would create an extra burden. However, to simplify the collection a national portal should be used which provides a local authority with a method to make the disclosure at an aggregate level.

Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority

1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.	✓		✓

Comments

We think this creates a significant burden on Local Authority if circumstances have to be investigated. A national database for schools to update should be created

Would assist with the collation of the data if we support proposal 4a.

Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.

Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend schemes to require schools to seek permission from the authority to enter RPTs above a threshold	✓		

Comments

This would only be achievable if you financed the burden of doing this, which would be significant

As per comment on proposal 4b

Proposal 5: Requiring maintained schools to be subject to internal audit at least every 3 years

Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits. We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

- 1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.	✓		

Comments

This is already a requirement at our Authority. However some flexibility is needed in programme between cyclical work and responsive work which should be recognised.

Proposals 6 (a,b,c): Strengthening arrangements to help schools that are in financial difficulty:

There is currently no requirement for local authorities to report to the department their plans for addressing financial difficulty in specific schools. Local authorities include both a deficit and surplus policy within their scheme for financing schools and monitor their schools' compliance with these. We have not previously collected information from authorities on the number of schools they intervene in but consider that this evidence base would help us to understand any variances in the level of support provided and target additional support from the Department.

Proposal 6a: Requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%

- 1) Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%.		✓	

Comments

We think all schools with a deficit should submit a recovery plan and therefore we do not disagree with the principle of the proposal we would disagree with the proposed threshold which is too high in our view.

Proposal 6b: Collecting information on the number of recovery plans in each LA through DSG annual assurance returns from the CFO

1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO		✓	

Comments

We would expect that a school with a deficit should have a recovery plan although there is often on-going discussions that last a number of months on recovery plans. Taking a particular point of the year may be a misleading disclosure as schools will be working towards a recovery plan.

Proposal 6c: Writing to local authorities each year when the end-year data is published, specifying the threshold of deficit that would trigger contact with the Department

1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to formalise the approach to working with LAs and include a request for high level action plans from some LAs. This will be achieved by:			
Sharing published data on the school balances in each LA	✓		
Use this data and evidence-based requests from LAs to ensure support is focused where it is needed		✓	
Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level.		✓	

Comments

We would suggest the second and third part to the question is part of the normal course of business for Local Authorities, any extra reporting would not be helpful to resolve the issue unless the department can demonstrate evidence of how this will improve the outcome of getting schools back into balance successfully by reference to academy schools. We are also uncertain if this is part of the department wishing to intervene on schools finances which is the responsibility of LAs.

Proposal 7: Increasing transparency in the reporting of high pay for school staff

Currently there is a disparity between public access to information on high salaries within maintained schools and academies. Salary ranges within the national pay framework are published annually in the School Teachers Pay and Conditions Document – these apply to teachers and leaders in maintained schools. Academy trusts must disclose in their published financial statements information about each individual earning over £100k - specifically (i) their total FTE salary in £10k bandings, e.g. £100k - £110k, (ii) their job role and description and (iii) whether they are predominantly focussed on curriculum and education leadership or school business management leadership. We believe that this measure should be introduced for LA maintained schools and would require them to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings		✓	

Comments

The details of the pay bands is already in the public realm through the published accounts of Local Authorities and this is split between schools and non schools and an additional disclosure is not required. If the department want job details, then this will create an extra burden that would need to funded or alternatively ask schools to publish the details on their website. We are unsure whether this will actually add value or encourage debate. It might be helpful to understand the impact this disclosure requirement has had on academy schools senior staff pay in recent years.

Proposal 8: Increasing transparency in reporting maintained school income and expenditure

Local authority school accounts are part of the local authority statements of accounts that are published at gross level for income and expenditure. While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as

Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites their latest Consistent Financial Reporting statement of income, expenditure and balances.		✓	

Comments

As this data is already available to the department they should publish it centrally and make it easily accessible. This is already done with the S251 budget statement which can be referred to for FOI and other enquiries.

New financial burdens on local authorities

Local authorities are invited to fill in the table below to indicate and quantify any new burdens they believe would arise from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details (officer time) and quantification of cost
2a We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year.	Yes	£5k
2b Strengthening DSG annual assurance returns: Adding a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud		£1k
3 Requiring maintained schools to provide local authorities with 3-year budget forecasts		£5k
4a Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the		£10k

local authority and can be passed on to the department		
4b Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority		£1k
4c Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.		£1k
5 Requiring maintained schools to be subject to internal audit at least every 3 years		nil
6a Requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%		£10k
6b Collecting information on the number of recovery plans in each LA through DSG annual assurance returns from the CFO		£10k
Other proposals (please specify)		De minimis

Additional costs for schools

Respondents are invited to fill in the table below to indicate and quantify any additional costs they believe would arise for schools from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details (officer time) and quantification of cost
3 Requiring maintained schools to provide local authorities with 3-year budget forecasts		unknown
4a Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can be passed on to the department		unknown
4b Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority		unknown
4c Making a directed revision to the statutory Scheme for Financing Schools to		unknown

require schools to seek permission from the local authority to enter into RPTs above a certain amount.		
5 Requiring maintained schools to be subject to internal audit at least every 3 years		None – already doing
6a Requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%		Already done
7 We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings		Already in the statement of accounts
8 We propose that all LA maintained schools should be required to publish annually on their websites their latest Consistent Financial Reporting statement of income, expenditure and balances.		This would largely be a burden to schools
Other proposals (please specify)		De minimis

<i>Date:</i> 3 October 2019	Item 12	<i>Type of report:</i> For decision
Report title:	Annual Internal Audit Report 2018-19	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This report summarises the 2018-19 internal audit work in schools.

Schools Forum Actions

The Schools Forum is asked to note the annual Internal Audit Report for 2018-19 and support the Local Authority on setting up a group of school bursars to work with the Local Authority on improving cash flow management within schools, including the frequency of bank reconciliations.

4. Background

- 1.1 All schools maintained by the Council currently have an internal audit every three years. The auditors submit a report of their finding on an annual basis.
- 1.2 Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer or Chief Financial Officer (CFO), the audit forms parts of the reassurance the CFO seeks in order to satisfy himself there is proper financial management in schools. The CFO has to sign an assurance certificate to this affect each year.
- 1.3 The audit in the London Borough of Southwark is contracted to BDO LLP. Prior to each year the Internal Auditors agree the terms of reference and scope of the audit with Local Authority officers. This work is made available to the Council's external auditors.
- 1.4 The internal audit like most audit plans, uses a risk-based approach and is designed to assess the internal control systems rather than specifically the accuracy of the financial records.

5. Details

- 2.1 The draft terms of reference for Internal Audit reviews in the 2019/20 programme is shown in Appendix 1 at the end of this report.

2.2 The annual report for the 2018-19 financial year is shown separately in Appendix 2.

3. Cash flow

One of the growing themes over the last year has been around bank reconciliation and the consequent impact on cash flow. We have far more schools running out of cash and Schools Finance is having to make emergency cash advances to ensure that the payroll can be met. This is becoming a regular feature each month. This is causing a considerable amount of extra work for both schools and ourselves.

Local Authority officers will work with schools on the cash flow issue to see if there are changes that can be made or support offered to help prevent these occurrences. We would also seek to clarify that full cash book reconciliations are a monthly requirement.

The Schools Forum is asked to note this report and support the LA to improve schools' cash flow management

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Southwark Council School Internal Audit

BACKGROUND	An internal audit is being undertaken as part of the four-year cycle of school audits for Southwark Council, on behalf of the director of education. The audit is being undertaken by BDO LLP, the council's contracted provider for internal audit services.
PURPOSE OF REVIEW	The purpose of the audit is to assess whether adequate controls are in place to help prevent financial management weaknesses within the school that could result in budget overspends or inappropriate expenditure being incurred.
SCOPE OF REVIEW	<p>The work is designed to assess the design and operational effectiveness of the controls in place to mitigate the key risks in the areas below:</p> <ol style="list-style-type: none"> 1. Governance 2. Bank account 3. Budgeting and Financial Management 4. Payroll and pensions 5. Procurement 6. Data security 7. Cash handling <p>The scope will cover the key risks set out overleaf.</p>
APPROACH	Our approach will be to meet with the head teacher, school business manager and others as necessary who are involved in the areas listed, to establish the controls in operation. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks through sample testing. Any opportunities identified to improve arrangements will be offered for consideration alongside recommendations to resolve any weakness in controls.
KEY RISKS	<p>The key risks associated with the area under review are:</p> <ol style="list-style-type: none"> 1. Governance arrangements are inadequate or not formally documented to support effective governance and decision making that is in the best interests of the school 2. Bank account controls over the school's bank account(s) are weak resulting in financial loss to the school 3. The school's budget is not balanced or aimed at recovering a deficit or achieving a prudent, but not excessive level of unspent balances resulting in inefficient use of school funds. Where the school is in deficit, a clear recovery plan is not in place. 4. Payroll controls are inadequate without appropriate checks and separation of duties for making changes to personnel and payroll data leading to invalid or inappropriate payments 5. Procurement is not well controlled resulting in purchases of goods and services that are not appropriate or do not provide value for money 6. Data is not adequately protected allowing unauthorised access, leading to potential misuse or risk of harm to pupils and staff 7. Cash is not controlled leading to unidentified loss or theft.

DOCUMENT REQUEST

The auditor(s) will usually spend three days on site.

To ensure that the audit is completed in the time available, we ask that you ensure that the following documents are available at the start of the first day:

Governance

- Instrument of governance
- Scheme of delegation
- Financial procedures
- Governing Body minutes from the last three meetings
- Governing Body minutes where the scheme of delegation and financial procedures were approved (if not included in the last three meetings)
- Finance/resources committee minutes for the most recent three meetings, with corresponding agendas and any reports distributed
- Declarations of interest for the current school year

Budget

- Governing Body minutes / committee minutes where the budget for the current year was approved.
- Approved budget for the current year
- Latest budgetary control report
- [where applicable] Deficit recovery reports
- [where applicable] Deficit recovery plan, associated Governing Body minutes and evidence Local Authority has been provided a copy
- [where applicable] Local Authority loan agreement and Governing Body/headteacher approval

Bank account

- Bank statements for all school bank accounts for the last 12 months
- Bank mandate
- List of current direct debit payments
- Copies of direct debit mandates
- Bank reconciliations for the last six months plus all relevant supporting documentation

Payroll and pensions

- [if not with Strictly Education] Payroll contract
- Evidence of quotes from other payroll providers
- Most recent three draft payroll reports
- Most recent three payroll reconciliations
- Staff salary information
- Overtime claim forms
- Final payroll reports for the last 12 months
- A list of all pay scale or contractual hours changes in the last 12 months
- Salary amendments forms
- [if not with Southwark HR] Staff personnel files
- [if not with Southwark HR] Staff starter forms
- [if not with Southwark HR] A list of all staff leavers in the last 12 months
- Pension opt out forms
- [if not with Southwark HR] Confirmation of the newest and longest service member of staff

Procurement

- Report of all purchases / invoices paid in the last 12 months
- All purchase orders raised in the last 12 months
- All invoices paid in the last 12 months

	<ul style="list-style-type: none"> • A report from the finance system of all orders outstanding • All purchase orders awaiting invoicing/delivery • Quotes obtained for purchases/contracts • Most recent three credit card statements • Receipts for credit card purchases in the last three months <p><u>Data security and safeguarding</u></p> <ul style="list-style-type: none"> • ICT back-up contract • Single Central Record • [where applicable] On-site ICT back-up logs and security/spot checks • [where applicable] Safeguarding policy • [where applicable] List of governors <p><u>Cash handling</u></p> <ul style="list-style-type: none"> • Report of petty cash transactions / petty cash log • Petty cash vouchers and receipts • Cash handling procedure • Income records relating to monies collected <p>Confidentiality</p> <p>In delivering this audit we may need to observe and test confidential or personal identifiable data to ascertain the effective operation of controls in place. We will not require this information to be sent to us and our records of testing will be limited to anonymised records e.g. case numbers / employee numbers.</p>
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TIMETABLE	Audit stage	Date
	Commence fieldwork	1 st day of site visit
	Planned date for closing meeting	2 nd / 3 rd day of site visit
	Planned date for issue of the draft report	+ 10 working days
	Planned date for receipt of school responses	+ 10 working days
	Planned date for issue of final report	+ 5 working days

KEY CONTACTS - SCHOOL		
Name	Role / Title	Contact details - Tel:
	Head teacher	
	School business manager	
	Other	
	Chair of governors (for final report)	

KEY CONTACTS - SOUTHWARK COUNCIL		
Name	Role / Title	Contact details
Nina Dohel	Director of education	Nina.Dohel@southwark.gov.uk

Terry Segarty	Standards 0-19 manager	Terry.Segarty@southwark.gov.uk
Ian Young	Acting director of finance	Ian.Young@southwark.gov.uk
Russell Dyer	Departmental finance manager childrens	Russell.Dyer@southwark.gov.uk
Dave Richards	Senior accountant	Dave.Richards@southwark.gov.uk

KEY CONTACTS - BDO INTERNAL AUDIT		
Name	Role / Title	Contact details
Greg Rubins	Engagement partner	Greg.Rubins@bdo.co.uk / 07583 114 121
Adam Spires	Engagement director (schools audits)	Adam.Spires@bdo.co.uk / 07966 283645
Angela Mason-Bell	Internal audit manager	Angela.Mason-Bell@bdo.co.uk / 07813 000 319
Steve Willett	Internal audit assistant manager	Steve.Willett@bdo.co.uk / 07971 761 714
Ollie Smith	Internal auditor – schools lead	Ollie.Smith@bdo.co.uk
TBC	On site auditor	

Note that the actual report is a separate pdf file