



MINIMISING BURDENS IN SCHOOLS
THE IMPLEMENTATION REVIEW UNIT

POSITION STATEMENT ON FINANCIAL MANAGEMENT STANDARDS IN SCHOOLS – OCTOBER 2007

The Implementation Review Unit (IRU) is an independent panel of school practitioners appointed in 2003 by the then Secretary of State for Education and Skills. Our remit is about supporting and challenging the government and its agencies, including local authorities, in removing and avoiding unnecessary burdens on schools.

Colleagues have reported ongoing concerns over the implementation of the standards and the Panel feels it is necessary to provide information to schools to

- Outline the support they should expect from authorities
- Clarify some of the misconceptions around the standards that have been reported to the panel
- Provide support to schools in challenging inappropriate practices of both Local Authorities and external assessors.

The Panel has issued this statement as an update to the one issued in March 2007 www.dcsf.gov.uk/iru/ which welcomed the introduction of the standards but expressed a number of concerns that had arisen from their implementation in secondary schools that the panel urged the Department to address for the roll out to the primary sector.

The Panel is pleased with the response of the Department to issue further guidance to local authorities and acknowledge the positive steps taken by some Authorities to support schools over the implementation of the standards. Nevertheless, concerns remain about the variation in practices between Local Authorities and this is causing an unnecessary burden for schools.

The Panel remains disappointed that the standards have been implemented without additional resources being made available directly to schools. It is however clear that the Department has allocated some limited funds to Local Authorities to assist schools with implementation and colleagues can expect authorities to be able to identify how they have applied the funding to support schools. Details of the allocations made to each Authority are available at www.teachernet.gov.uk/schoolfunding/schoolfinance

The Department has made it clear that it supports local authorities in adopting a light touch approach to accreditation. A light touch approach involves making a risk assessment of schools to decide which will require external assessment and those that may be appropriate for a light touch approach. Under a light touch approach, schools would complete the self assessment which is then cross referenced to sources of evidence and key documents. The authority can then sample the evidence base and this approach reduces the amount of work for both schools and Local Authorities. It is disappointing that some authorities have not implemented this. It is clear that there is no requirement from the Department for Authorities to require formal external assessment of ALL schools against the standards. The requirement from the Department is that in each authority the finance officer reports which schools have met the standard and which have not.

Concerns remain 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. Other examples include schools being required to photocopy cheques to evidence that signatory arrangements are being applied rather than looking for evidence of a bank mandate being in existence.

There also appears to be an expectation that schools need to compile files of evidence or gather boxes of information to support the assessment. This is not the case. It is perfectly acceptable for schools to cross reference the standards to existing sources of evidence such as governors' minutes rather than expect school staff to have to waste time duplicating and assimilating sources of evidence.

For each school to have to interpret the standards, consider their application, brief governors and staff, implement and go through the standards will be a time consuming process. Feedback from the secondary sector indicates that this involved between 5-10 days of staff time. In many smaller schools, this burden will fall on already hard pressed head teachers and administrators and also add to the considerable workload of governors. We believe local authorities can assist by preparing information that schools can use as templates so that each school is not starting from scratch. Information includes briefing sheets that schools can use with staff and governors, model policies such as whistle blowing policies and other source documents.

Authorities should also consider how schools could work collaboratively to share the burden. Given that secondary schools have gone through the process there is a potential opportunity to use the lessons learnt from this and to share good practice with primary colleagues. Some colleagues in primary schools have reported that Authorities have directed that they must meet the standard by a date in advance of the 2010 target date set by the Department. Whilst we understand the need to phase work, authorities need to recognise that some schools may not feel able to join a particular phase and there should be no requirement placed on them to do so.

There remains 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. This will benefit both schools from less disruption to their normal operation and local authorities in avoiding wasted time from duplication within audit procedures. This needs to be addressed immediately for schools that would be part of an authorities audit schedule whilst going through the process for meeting the standards but also in the future for any re-accreditation process.

In summary, we feel it is reasonable for schools to expect the following from their local authority regarding the standards:

1. A clear identification of how the additional funds available to the Authority have been used to assist schools
2. A light touch process to be developed and applied in each authority in line with the guidance from the Department.

3. Whether assessment be through light touch or external assessment a clear acknowledgement that it is acceptable for schools to be able to cross reference to existing sources of evidence and to make local judgements about how the standards are applied in their schools to meet local needs.
4. Information to be available that schools can use locally rather than each school be faced with sourcing the information or having to produce it themselves.
5. A means of enabling schools to work in collaboration and share best practice.
6. A clear process outlining how audit arrangements will be aligned to the standards so that there is not duplication of inspection and disruption to the school.

It is also important that the Department ensures that external assessors understand this position and that a quality control system is in place to ensure that they do not overburden schools from over prescription or misapplication of the standards and that schools can refer causes of concern to the Department for arbitration.

The Panel has received much useful feedback on the implementation of the standards that has informed discussions with the Department and continues to welcome this. Feedback can be made to iru.panel@dcsf.gsi.gov.uk