

# **Schools Forum Report**

## **Schools Finance Working Party (Extended Group) Update**

11/10/2023

### **Executive Summary**

This report is to update Schools Forum on the progress of the Schools Finance Working Party (Extended Group)

### **Details of recommendations and timescales for decisions:**

Note and comment on the contents of the report



## 1. Background

- 1.1. The Schools Finance Working Party (extended group) was established to work alongside the existing Schools Finance Working Party to continually improve the year-end (YE) closure of accounts and other finance process matters affecting schools.
- 1.2. In addition to Schools Finance Officers and School Business Managers (SBMs), the extended group includes representatives from the Headteachers Group and Corporate Accountancy.
- 1.3. An update was previously reported to Schools Forum in January 2023. The purpose of this paper is to update members on the progress of the School Finance Working Parties work since that date.

## 2. Schools Finance Working Party (extended group) Update

- 2.1. Since the last update to Schools Forum, the extended group has met twice, once in February and more recently on 20<sup>th</sup> September 2023.
- 2.2. The earlier meeting focused on preparations for the 2022/23 YE process, including a review of the YE template which all maintained schools are required to submit with supporting evidence. Minor amendments were then incorporated.
- 2.3. Feedback was also given from the YE workshops that were held for schools by the Schools Finance Team (SFT) in February, including a discussion around the issues encountered by both the schools and the Local Authority (LA) from the prior year.
- 2.4. Following the completion of the 2022/23 YE, an analysis was conducted by the SFT to compare the outcomes of the two years process. A summary of the findings was circulated to the Working party and the data was then used for discussion at the recent meeting in September.
- 2.5. The salient points from the YE analysis and other key areas discussed at the September meeting are reported in the next section for Schools Forum members to note and comment upon.

### 3. Working Party Discussions and Outcomes

ISSUE	DISCUSSION/OUTCOME
Increase in late submission of schools YE returns	<ul style="list-style-type: none"> <li>• Schools YE return deadline date is set in line with the whole Council's Accounts statutory deadline and must be adhered.</li> <li>• If return has not been signed off by headteacher, schools should submit anyway <b>before</b> the deadline with a signed version to follow.</li> <li>• Volume of supporting documents required can be reduced if good housekeeping is carried out to reduce number of accruals/trade creditors</li> </ul>
Volume of trade creditors and increase in accruals	<ul style="list-style-type: none"> <li>• Not all schools practice good financial housekeeping (i.e. chasing suppliers for invoices and processing a final payment run before YE)</li> <li>• Some schools are still writing manual cheques and do not use electronic payments, which may incur additional bank charges in future.</li> <li>• All trade creditors will have an invoice so evidence can easily be provided</li> </ul>
Recommendations for YE 2023/24	<ul style="list-style-type: none"> <li>• Schools YE template to be made available earlier.</li> <li>• Timeline and expectations to be communicated to headteachers in advance of YE so discussions/adjustments around resourcing can be held with SBM/finance consultant.</li> <li>• <b>All</b> schools to be represented at future housekeeping and YE workshops (SBM and/or finance consultant)</li> <li>• A YE payment cut-off date for schools will be explored and the LA Financial Transactions Team Manager will be invited to the next working party.</li> <li>• SFT school visits to meet SBMs will help to understand and address issues in individual schools.</li> <li>• All schools should move to electronic banking.</li> <li>• The YE requirements around accruals (including evidence and thresholds) should remain unchanged for 2023/24 and will be reviewed again once all the above measures have been implemented</li> </ul>

<p>Audit and Accounts Update (Chief Accountants Team)</p>	<ul style="list-style-type: none"> <li>• Progressing well on 20/21 audit – better than previous years but still a number of schools queries outstanding.</li> <li>• Once concluded, can then progress to 2021/22 and 2022/23 audit and accounts.</li> </ul>
<p>Schools Returns and Processes</p>	<ul style="list-style-type: none"> <li>• Enhanced VAT HMRC compliance checks is being rolled out to schools for 2023/24</li> <li>• Mayors Universal Free School Meals for Secondary Schools (MUFSM) launched from September 2023 and administered by a similar process to the Key Stage 2 FSM for Primary Schools</li> </ul>
<p>Training</p>	<ul style="list-style-type: none"> <li>• SFT school visits to meet SBMs only and to understand and address any schools finance operational issues.</li> <li>• SAGE training for officers, SBMs and other SAGE users being explored.</li> <li>• Schedule of drop-in sessions for SBMs and other interested parties in 2023/24 including Natwest Bank, procurement, Capital, Housekeeping &amp; Best Practice, SLA billing, YE workshops</li> </ul>

