

**REGULATORY AND OTHER COMMITTEE REPORT**

<b>NAME OF COMMITTEE:</b>	Schools Forum
<b>DATE OF MEETING:</b>	25 April 2012
<b>SUBJECT:</b>	<b>DfE' consultation on Improving the Assurance System for Financial Management in Local Authority Maintained Schools</b>
<b>REPORT BY:</b>	Tony Warnock (Head of Finance – Children's and Specialist Services)
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<b>IS REPORT CONFIDENTIAL?</b>	No

**SUMMARY**

The purpose of this report is to alert the Schools Forum to a recently published consultation by the DfE regarding proposals for improving the financial management assurance system for Local Authority (LA) maintained schools.

**DISCUSSION**

On 2 April 2012, the DfE launched a consultation in response to a National Audit's Office report that indicated that the DfE does not use the information it receives from LAs to identify areas of concern.

The LA is currently assessing the proposals. The key points that have been noted so far include:

- The DfE does not intend to intervene directly with individual schools.
- Existing, not new information will be used to identify where there may be problems with LA's or schools' financial management.

- The DfE will approach those LAs identified as having problems, to better understand the issues and to seek appropriate reassurances.
- The data that the DfE will review includes: whether the LA has substantially underspent or overspent the DSG; the number and proportion of schools that have been in persistent, substantial deficit or surplus, and; whether all of the LA's maintained schools have implemented the Schools Financial Value Standard. The consultation seeks views on the parameters that will be used.
- The consultation asks if it would be effective for the Schools Forums to be involved in the process and, if so, how that might best be done.

A copy of the 20 page consultation document is available at:

[www.education.gov.uk/consultations/](http://www.education.gov.uk/consultations/)

The LA will respond by the 11 May to the questions posed. Schools Forum members may wish to forward their views to Tony Warnock prior to that date. The LA will provide an update for the Schools Forum at its meeting on 27 June 2012.

<b>RECOMMENDATIONS</b>
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The Schools Forum is asked to note the contents of the report.

<b>APPENDICES (If applicable) - these are listed below and attached at the back of the report.</b>
None

<b>BACKGROUND PAPERS</b>			
<b>PAPER TYPE</b>	<b>TITLE</b>	<b>DATE</b>	<b>ACCESSIBILITY</b>
None			