

FINANCIAL REPORTING

REPORTING REQUIREMENTS



NOVEMBER 20

London Borough of Haringey
Authored by: Schools Finance



Reporting Requirements for Schools

The financial framework for schools is set out in the scheme for financing schools, which is approved by the Secretary of State. Schools are required to comply with financial reporting requirement set out in this manual.

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Notes:

ESFA – Education & Skills funding Agency

DfE – Department for Education

LA – Local Authority

VFM – Value for money

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INTRODUCTION

Schools financial regulations set out the internal controls and procedures to be followed by schools in compiling and submitting financial information and reports for the local authority.

This manual follows the same structure and order as the financial regulations but is designed to give detailed assistance to schools in designing processes to record and demonstrate compliance with the regulations.

In any case where conflict is perceived between this manual and the schools financial regulations then the regulations will apply.

If a school has difficulty in interpreting the regulations or this corresponding finance manual, they should contact either their Schools Financial Adviser or the Head of Audit and Risk Management.

Maintenance of the school's records relating to its financial reporting arrangements should be clearly allocated to a member(s) of staff within the school who should be made aware of these instructions.

ACCOUNTABILITIES AND RESPONSIBILITIES

Schools operate with delegated budgets and account locally on a day to day basis, ultimate responsibility for their financial management lies with the Local Authority's Section 151 Officer i.e. The Director of Finance.

The Director of Finance maintains an overarching role to ensure that all establishments within the Local Authority operate within their cash limited budgets and in accordance with best value principles. In order to achieve this, monitoring takes place through regular financial reporting and the process of audit.

In addition, the School Finance team ensures schools financial reporting is within guidelines laid out in the Code of Practice on Local Authority – School Relations and, the Haringey Scheme for Financing Schools.

The Governing Body and the Headteacher are responsible for all reports required by the local authority and ensuring that all such reports, whether electronic or manual, are accurate, correctly certified and submitted within deadlines set by the local authority.

CONSISTENT FINANCIAL REPORTING (CFR)

The consistent financial reporting (CFR) framework provides a standard template for schools to collect information about their income and expenditure in the financial year.

The Government has introduced CFR as a standardised national reporting framework to:

- Improve schools' accountability
- Ensure minimum standards of financial reporting
- Improve schools' ability to manage finances
- Enable data to be transferred electronically from schools to the ESFA and then to the DfE to support benchmarking and enables comparative reports to be produced for governors and local authorities.
- Provide a small number of standard expenditure and income headings

REVENUE INCOME	
I01: funds delegated by the local authority	I02: funding for sixth form students
I03: high needs top-up funding	I04: funding for minority ethnic pupils
I05: pupil premium	I06: other government grants
I07: other grants and payments received	I08a: income from letting premises
I08b: other income from facilities and services	I09: income from catering
I10: receipts from supply teacher insurance claims	I11: receipts from other insurance claims
I12: income from contributions to visits etc.	I13: donations and/or voluntary funds
I15: pupil-focused extended school funding and/or grants	I16: community-focused school funding and/or grants
I17: community-focused school facilities income	I18: additional grant for schools

CAPITAL INCOME	
CI01: capital income	CI02: Don't use
CI03: voluntary or private income	CI04: direct revenue financing

REVENUE EXPENDITURE	
E01: teaching staff	E02: supply teaching staff
E03: education support staff	E04: premises staff
E05: administrative and clerical staff	E06: catering staff
E07: cost of other staff	E08: indirect employee expenses
E09: staff development and training	E10: supply teacher insurance
E11: staff-related insurance	E12: building maintenance and improvement
E13: grounds maintenance and improvement	E14: cleaning and caretaking
E15: water and sewerage	E16: energy
E17: rates	E18: other occupation costs
E19: learning resources	E20: ICT learning resources
E21: examination fees	E22: administrative supplies
E23: other insurance premiums	E24: special facilities
E25: catering supplies	E26: agency supply teaching staff
E27: bought-in professional services: curriculum	E28a : bought-in professional services: other (except PFI)
E28b: bought-in professional services: other (PFI)	E30: direct revenue financing (revenue contributions to capital)
E31: community-focused school staff	E32 Community-focused school costs

CAPITAL EXPENDITURE	
CE01: acquisition of land and existing buildings	CE02: new construction, conversion and renovation
CE02: new construction, conversion and renovation	CE04: information and communication technology

A complete guidance to help schools collect information about their income and expenditure, download a complete guide on “**Consistent financial reporting framework**” from the link: <https://www.gov.uk>

REPORTING REQUIREMENTS

All schools are required to submit regular reporting to the LA.

The frequency of reporting requirements dependent on needs and requirements of the school.

School Annual Budget

The Annual Budget is a statement of what the likely income and expenditure will be in a school. It needs to be considered carefully so that schools can weigh up whether they have enough funds to pay for the activities that they believe are necessary for the school to deliver its planned curriculum to raise teaching and learning standards.

For further details please visit **FM1 - Budget Planning and Forecast** on the following Haringey School Finance link:

<https://www.haringey.gov.uk/children-and-families/schools-and-education/services-schools/schools-finance/schools-finance-statutory-services/financial-regulations-schools>

Budget Monitoring Returns

The budget monitoring should be at a frequency with which the governors and school can provide a robust predicted outturn report along with financial forecast to ensure that school are in control of the budget, on track to achieving the planned objectives/position and provides sufficient time for remedial actions to be taken and have an impact. For schools this would typically be at least monthly for leadership team and termly for the governing body.

The budget monitoring process should be a continuous process, building on previous months financial forecast, the process should be able to provide school financial performances on real time as possible.

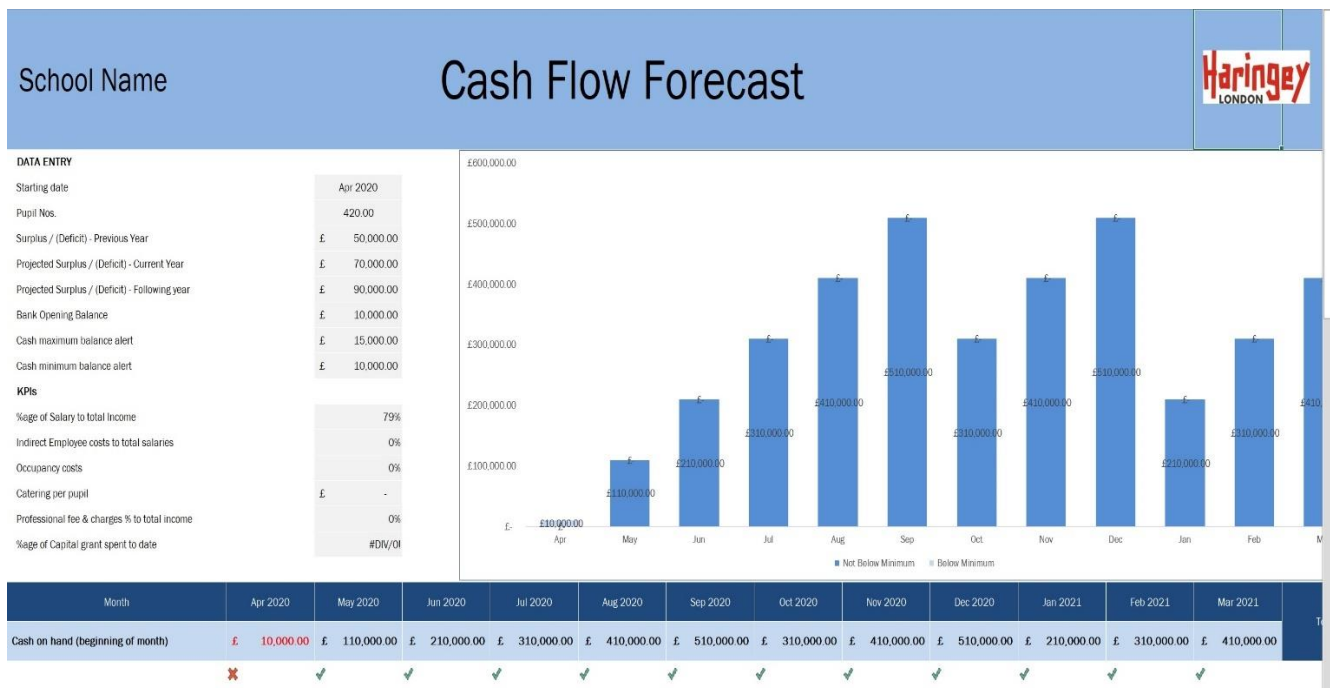
Cash Flow Forecast (New)

A cashflow forecast is a plan that indicates how much funding a school expecting from all its sources and pay out for its liabilities over a set period.

Cash flow forecast its new requirement for Haringey school and its in line with current climate. The cash flow statement will help school to plan its cash management.

Haringey School Finance developed Cash Flow forecast tool **FM6b - Appendix B - School Cash Flow Forecast - 2019-v1** to help schools with cash flow planning. The tool can be download from the link below:

<https://www.haringey.gov.uk/children-and-families/schools-and-education/services-schools/schools-finance/schools-finance-statutory-services/financial-regulations-schools>



Schools Financial Value Standards

Local authority-maintained schools are required to submit the SFVS annually to Haringey School Finance. We use this information to inform their programme of financial assessment and audit.

School Financial Value Standard consists of a checklist and a dashboard. The dashboard compares school data with a range of statistics provided by the Department for Education. It provides explanations of each of the indicators and helps schools to fill in their data and understand the results.

For further details please visit the following link on www.gov.uk website:

<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

REPORTS

Reporting Requirements	Information
Budget Monitoring report	<ol style="list-style-type: none"> 1. Annual Budget 2. Actual spent to date 3. Forecast for the remaining months 4. Expected outturn position 5. Variance Analysis
Bank Reconciliation Report	<ol style="list-style-type: none"> 1. Bank opening and closing balances 2. Un-reconciled transactions
Balance Sheet	<ol style="list-style-type: none"> 1. Schools Debtors and Creditors 2. Financial Surplus / (Deficit) 3. Control Accounts <p>*we will be asking for breakdown for debtors and creditors</p>
Cash Flow forecast	<ol style="list-style-type: none"> 1. Provide information for cash flow management 2. Funding received by the schools 3. Additional income received by the school if any 4. Setup cash requirement for schools 5. Identify cash deficit period
VAT	<ol style="list-style-type: none"> 1. VAT summary report 2. VAT detail transaction listing 3. Indicate VAT claim for the period
SFVS	<ol style="list-style-type: none"> 1. Provide benchmarking tool 2. Identify areas for improvement

TIMETABLE

All schools are required to submit their budget monitoring reports, yearend reports and SFVS to Haringey School Finance.

1. Schools in surplus submit accounts by the 15th of the following quarter
2. Schools in deficit submit their accounts by the 15th of the following month

If 15th falls on weekend, the submission deadline will be the following Monday.

Submission timetable	Method of submission	Schools in surplus	Schools in deficit
Budget Monitoring report includes Income & expenditure	NOVUS	Quarterly	Monthly
Bank Reconciliation Report	E-MAIL*	Quarterly	Monthly
Balance Sheet	NOVUS	Quarterly	Monthly
Cash Flow forecast	E-MAIL*	Quarterly	Monthly
VAT	NOVUS	Monthly	Monthly
SFVS	E-MAIL*	End of May every year	End of May every year

* We will be collecting information via NOVUS from the financial year 2020-21.

NOVUS

Please use the following link to upload your financial return:

<https://my.novusapps.co.uk>