



Scope and Ambition

This review is based on responses in the finance section of the self-assessment questionnaires, completed by 15 schools, during May 2022 to March 2023. Responses were received from 4 secondary/all through schools and 11 primary schools, together with Powys County Council Schools' Finance Support Team.

The objective was to ensure that the school has established a formal budget planning process and that performance against budget is reported regularly, with appropriate action taken to correct significant variances. The specific aim of this thematic review is to summarise and highlight the key themes that were evident in responses.

Key Findings

There is a difference in opinion between the School and School Service as to what a realistic and sustainable budget looks like. Further guidance should be given to help gain a co-ordinated approach to budget strategies.
It was displayed within the questionnaire that Primary school's hand reasonable control over the budgets, however all through school and High schools struggled with the current budgetary restrictions.
Not all schools are procuring in line with the Councils rules. Valid VAT invoices are not being consistently attached within the Barclaycard system and purchase orders are not always being raised before a purchase has been made.
Approved financial reports are sent monthly to the schools with 80% of schools always checking payroll expenditure monthly. A third of schools sent monthly accounts to the Finance team. Greater visibility would enable the central team to give additional support to school-based staff in areas of concern.
67% of the schools felt they were supported by the Finance team. 73% of the schools gave ratings of 4 or higher (5 being excellent).
It was felt that less than 50% of the schools fully engage with the central finance team. 60% of all schools received a rating of 3 or lower.

Overview of Governance Assessments





Assessed not to be in place/ operating ineffectively – requires significant improvement. Assessed to be partially in place – requires improvement.

Assessed as in place/ operating effectively.

Gradients are used where there is a mixed assessment of the controls in place, for example when most controls are in one area with a few important findings in another.





Appendix 1 Thematic Assessment

Theme 1: Finance		To ensure that the school has established a formal budge against budget is reported regularly, appropriate action i		Inherent Risk
Control Assessment:	SSA Fin1	Findings in Support of the Assessment:		
The school has a realistic, sustainable, and flexible financial strategy in place for at least 3 years, based on realistic assumptions about future funding, pupil numbers and pressures. There are appropriate procedures in place to create a realistic spending plan.			to the failure of PCC to fund support needed for the failure of PCC	
		 Have the school submitted a 3-year budget forecast? Is the school running with a deficit balance? Is the deficit budget licensed? Have the school produced an approved Recovery Plan/Business Case for the deficit budget? Have the school submitted a 3-year budget forecast? 	Yes – 12; No -3 Yes – 4; No-11 Of those who replied 'yes' to previous questi Yes – 1; No - 3 Of those who replied 'yes' to running with a Yes – 0; No -4 Yes – 12; No -3	

Control Assessment:	SSA Fin2	Findings in Support of the Assessment:
Monthly financial reports are rece	ived from Powys	Responses from the schools indicated that Schools received regular accounts reports from the finance team. It was commented
Finance Department together w	ith Collaborative	from one of the central finance teams that Schools also have access to Collaborative Planning which provides up to date financial
Planning reports, which are monitor	red and approved	information and is updated daily.
by the Headteacher. There are con	ntrols in place to	

ensure that the schools monitor the budgetary All schools had their last financial surgery either in the Spring or Autumn 2022.

spending.





Control Assessment:	SSA Fin3	Findings in Supp	ort of the Assessment	:			
Approved monthly accounts are se	ent through to the	There was a mix	ed response regarding	whether reports ar	re sent monthly to	the Central Team.	
finance team. There is viability	of the schools	Responses from	n the Schools		Responses from	the Finance Team	
spending on a regular basis.		Response	Count		Response	Count	
		Yes	5		Yes	5	
		Mostly	4		Mostly	3	1
		No	6		Sometimes	3	
				_	No	4]

Control Assessment:

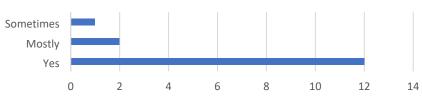
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Findings in Support of the Assessment:

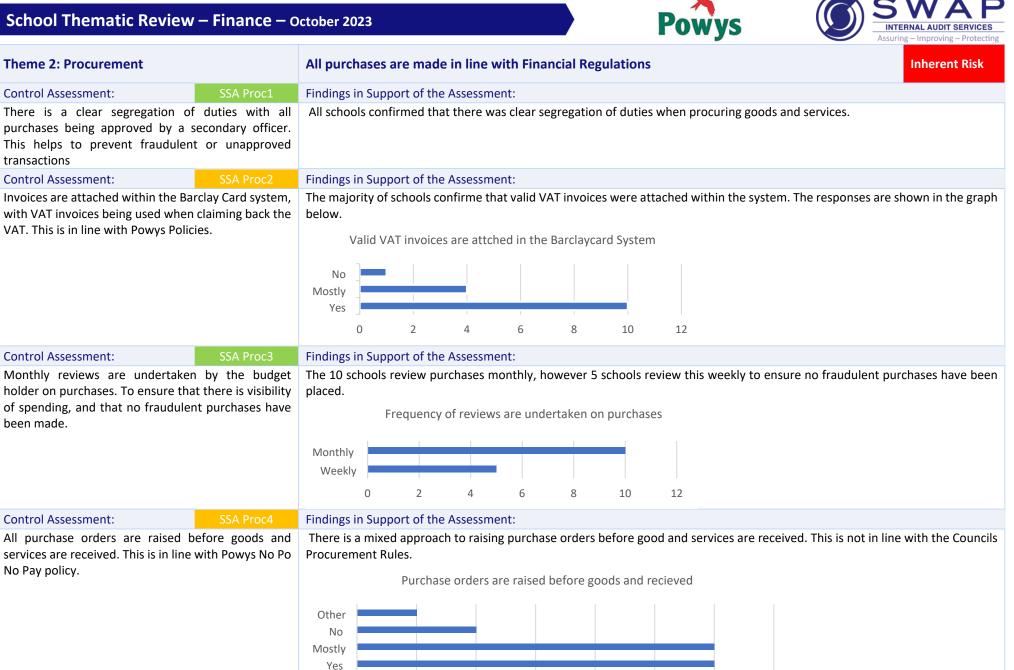
Payroll expenditure reports are checked monthly, this includes any additional payments. There is visibility of payroll procedures monthly to help prevent fraudulent transactions.

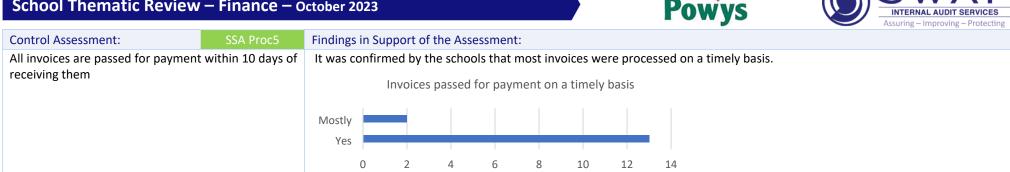
The responses display that 80% of the schools have monthly reviews of the expenditure reports. Although, others review them less frequently there is visibility over payroll expenditure reports.



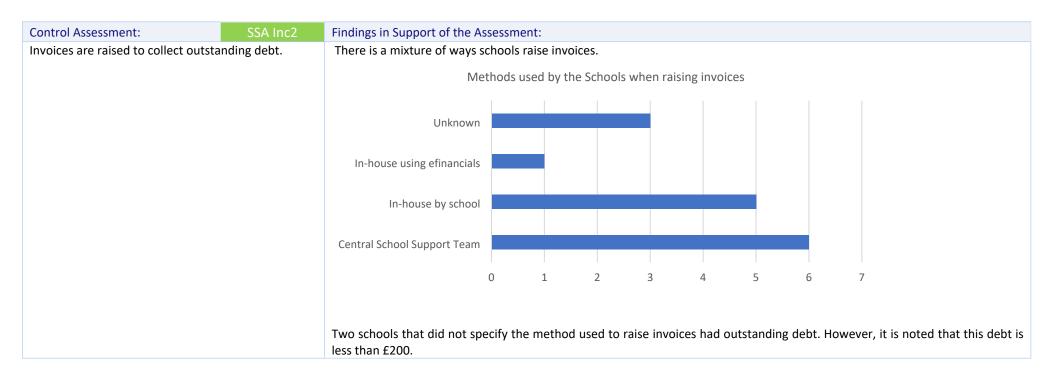


Control Assessment: SSA Fin5 Findings in Support of the Assessment:		Findings in Support of the Assessment:
The school has confirmed that IR35 is applied to any		Where IR35 was relevant only one school stated that IR35 was not applied, however 6 other schools confirmed this was in place.
off payroll working.		





Theme 3: Income		Appropriate procedures and controls are in place for monies due direct to the school budget.	Inherent Risk
Control Assessment: SSA Inc1		Findings in Support of the Assessment:	
The school is used for lettings.		All Schools who specific that they had lettings had a letting policy.	







Theme 4: Unofficial Funds

Control Assessment:

Sound controls are maintained, and appropriate procedures are followed in relation to school voluntary funds.

Inherent Risk

SSA Un1 Findings in Support of the Assessment:

14 schools hold and maintain a school fund bank account. Two schools had not audited the accounts at the time the questionnaire was answered. One provided the explanation that they had lost their regular auditor during the covid-19 Lockdown.

A set of annual accounts are produced and audited on an annual basis. There are checks to determine that the accounts are credible and that they provide a true and fair picture.

ID	Current balance	Accounts audited on an annual basis?	Last Date accounts were audited	
1	£1,017.00	Yes	14/10/2021	
2	£3,063.00	Yes	01/02/2023	
3	£16,420.57	Yes	15/10/2021	
4	£1,086.31	Usually,	04/07/2019	
5	£13,937.51	Yes	28/02/2022	
6	£35,446.00	Yes	08/07/2021	
7	£29,188.00	Yes	01/10/2021	
8	£400.57	Yes	20/09/2022	
9	£131,199.08	No	24/05/2018	
10	£4,320.45	Yes	26/09/2022	
11	£7,000.00	Yes	22/09/2022	
12	£6,297.29	Yes	06/07/2022	
13	£41,233.72	Yes	05/10/2022	
14	£5,830.33	Yes	27/02/2023	
Concer	Concerns surrounding the size of the balance of the unofficial funds were raised within the individual audits of each school			

Control Assessment:	SSA Un2	Findings in Support of the Assessment:
No delegated budget money is pai	d into the school	3 Schools stated that 'Some income is received and transferred back into the budget at a later date' however 11 schools
fund. There are controls in place to	o ensure that the	confirmed that no delegated funding was paid into the school fund.
budget is not mis-spent.		

Control Assessment: SSA Un3		Findings in Support of the Assessment:
Non-school items are not purc	hased from the	All 14 schools confirmed that non-school items are not bought from the school budget to save on the VAT.
delegated budget.		





Appendix 2 Suj

Support and Engagement Analysis

Engagement

Within the questionnaires that were sent, responders were asked whether they felt they were provided with enough support or engagement from the school and central teams. Below are the average scores given during the questionnaires.

Working Relationship	Responder	Average Score
School to Finance Team	School	3.93
Chair of Governors to Finance Team	Chair of Governors	3.57
Finance Team to School	Finance Team	3

Further details, including the explanations of these scores can be found in School Thematic Review- Finance Support Reviews.

A good working relationship across all areas is important to ensure that both the Council's and Schools goals are achieved. Better collaboration will also help to share the skills and innovative ideas across both parties.

