**FAQ’s – Record of Financial Responsibility (RoFR)**

| **Question** | **Answer** |
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| **GENERAL POINTS** | |
| Governors agreed the RoFR last Autumn, do they need to do this again as it seems a lot to fill in? | The Governors should review their delegation arrangements annually (or more frequently where there have been significant changes, such as a change of Headteacher). This will ensure that governors clearly set out their delegation arrangements for the school and provide staff with assurance that they can act within their delegated limits.  Some minor changes to the RoFR template have again been necessary and therefore the 2020-21 form on Suffolk Learning should be used.  The Autumn term is the ideal term to review the RoFR each year as September often sees a change in staff and governors at each school. |
| Some questions do not apply to our school – can we leave these fields blank? | In order to reduce the potential for misunderstandings at a later date governors should ensure that all fields are completed, using ‘none’ or ‘n/a’ where appropriate. No field should be left blank. |
| Why do we need the RoFR when our Finance Policy already includes a lot of this information? | The Schools Accountancy Team recommends that school finance policies refer to the RoFR rather than contain specific values. A copy of the current RoFR should be filed with the Finance Policy for reference.  N.B. If the school’s Finance Policy does contain specific values then an annual review of these values will also be necessary in order to ensure they correctly reflect governor decisions. |
| **PROCUREMENT/LEASING/CONTRACTUAL ARRANGEMENTS** | |
| **Value above which price comparisons must be recorded**  What value should be recorded here? | Staff/governors should always bear in mind that they are spending public money and are therefore accountable for their actions:   * Price comparisons should be undertaken routinely in schools in order to ensure Value for Money is being obtained * Anyone involved in procurement in the school should be making price comparisons before orders are placed   Information relating to the price comparisons should be retained, for example the various prices quoted in catalogues for a specific item that a teacher wants ordered. By keeping this information the school is able to justify its actions if a query is raised at a later date (parent, member of public etc).  The Schools Accountancy Team recommends that a record of all price comparisons is retained however schools have delegated responsibilities and therefore it is for governors to decide what they expect to be retained in their school. Even if governors decide that records only need to be kept above a set value they should still expect the staff involved to check that they are getting Value for Money for all orders (i.e. not just using a historic supplier without confirming that they continue to provide VFM). |
| **PAYMENTS – DELEGATED BUDGET BANK ACCOUNT** | |
| I can see that there is the facility to have view only on-line access to Lloyds data. My school would like to have this facility, how do I go about arranging this? | Schools’ Choice can assist schools to gain access to the on-line facility and will support schools through the application and set-up processes. |
| **INCOMES – DELEGATED BUDGET** | |
| Is there a recommended limit above which receipts must be issued for cash received? | Ideally a school would issue receipts for all cash as this not only provides a good audit trail and evidence of receipt for the person handing in the cash but also helps safeguard the staff handling the cash. However schools may not consider this practical, therefore the governors need to decide at what level they are prepared for staff to accept cash without issuing a receipt.  If class lists are used to record cash from individual pupils then there should also be a clear audit trail for each handover between staff in the school (which can be followed through to the banking of the cash) so that the class list can act as a ‘receipt’ – ideally the school would also raise an official receipt and attach it to the class list each time the cash was banked to clearly demonstrate to the member(s) of staff collecting the cash from the pupils that the money had subsequently been banked. |
| The RoFR states that cheques are not insured – is this correct? | The current Damage/Loss Risk Pooling document confirms that the Risk Pool does not cover the loss of cheques by theft. |
| **SCHOOL/COLLEGE CERTIFYING OFFICERS** | |
| ‘Chair of Governors’ is prefilled in the name column to certify headteacher expenses and reimbursements. Is this a requirement or can schools also use any other certified officer (other than the headteacher)? | The Heads expenses/reimbursements should not be certified by someone that they directly or indirectly line manage as there is potential for conflict of interests. Therefore the authorisation needs to be made by the Chair of Governors (or their representative). |
| **Individual Transaction Limit**  We are a small school and therefore we don’t see any need to list individual transaction limits. Do we need to do this? | All schools should have at least three certifying officers (one of which will be the Headteacher), even in a small school. This is so the school can continue to function in the head’s absence. The Schools Accountancy Team recommends that small schools include the most senior teacher(s) and governors may wish to set limits for individuals based on their experience and seniority.  The maximum transaction limits should be consistent with other limits; for example, they must not exceed the expenditure limit above which Governing Body approval is required.  The ROFR is a document that sets out the permissions/authorisation levels in the school and governors should ensure that they are satisfied that the arrangements should adequately protect the public funds and the individuals involved in handling/managing those monies.  If any section is left blank then potentially it is open to abuse or misinterpretation. For example, if there are no limits set and a head authorises something that the governors later challenge it becomes more difficult to resolve – the governors could argue that a limit had been implied even though not written down, whereas the head could argue that the governors had implied that there was no restriction. The Schools Accountancy Team recommends that all boxes are completed and to seek advice if governors are not sure. |
| **Individual Transaction Limit**  Do you have any guidance on best practice for the value of the limits? | Each governing body will need to decide what it considers appropriate for its school; this will depend on factors such as the experience of the Headteacher, current and/or future budget issues etc.  The value can be expressed by the governors as a % however the £ value that this represents for each year should also be included in order that the limit is clear.  The maximum transaction limits should be consistent with other limits; for example, they must not exceed the expenditure limit above which Governing Body approval is required. |
| **FINANCIAL MANAGEMENT DELEGATION ARRANGEMENTS** | |
| **Approval of the Strategic Financial Plans…..**  ‘Approval of the Strategic Financial Plans Delegated to….’ says this should be consistent with the Terms of Reference for Working Parties/Committees; however our Finance Committee Terms of Reference only refers to a ‘3 year budget plan’, do we need to make any amendments? | No, the Current Budget Plan (2020-21) and the Strategic Plans (2021-22 & 2022-23) are the 3-year budget plans.  Both the Budget Plan and the Strategic Plans are held within the 2020-21 Budget Toolkit. |
| **Financial Benchmarking delegated to…..**  Should this be the name of the person preparing the reports or the person/committee reviewing them? | Governors may wish to delegate this to an individual or a committee to do the research and prepare the documents (which is what the RoFR is asking) however the outcomes of this work should then be reported back to the whole governing body.  The important aspect of this is that the Benchmarking exercise is completed and governors consider the outcomes. |
| **SFVS Self Assessment**  Who should perform the SFVS Self Assessment? | **The SFVS Assessment is a statutory requirement** and schools must demonstrate compliance with the SFVS and complete the assessment form on an annual basis.  The DfE state that ‘the standard now consists of 29 questions which governing bodies should formally discuss annually with the head teacher and senior staff’. The DfE has said: ‘Consideration of individual questions can be delegated to governing body committees; however these committees must report their findings and recommendations back to the full governing body for full consideration and agreement’.  Therefore the Governing Body may delegate the consideration of the questions to a relevant Committee (such as the Finance Committee).  If an independent SFVS assessment is commissioned then the resulting report may help governors identify appropriate actions to address weaknesses and provide structure for formal discussions prior to completion of the SFVS.  Schools Choice offers an optional one-day [SFVS Support Service](https://www.schoolschoice.org/system/files/SD%20enhanced-finance-schools-financial-value-standard-support-service-14-15%20JS.pdf) for schools wishing to purchase an in-depth, independent assessment. This service assists schools in completing the documentation ready for final review and sign-off by governors.  SFVS has been updated and further information can be found here: [LMS Documents](https://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/lms/lms-documents/lms-docs--2020) |
| SFVS Self Assessment  Why should we consider using EFS (SchoolsChoice) to carry out the initial testing? | The Enhanced Finance Service (SchoolsChoice) can be used to provide expert support to work through the DfE requirements in a logical way. This will ensure an additional degree of independence which, although not required by the DfE, will be appreciated by governors.  The EFS will make suggestions to improve processes and procedures to:   * Meet DfE requirements * Improve the robustness and efficiency of procedures in school   The Governing Body will retain the ownership of the assessment as they will receive an editable version of the report from the EFS following the visit. |
| **Monitoring the progress of SFVS Actions**  Who can the governors delegate this to? | Governors must monitor the progress of SFVS actions to ensure that all actions are cleared within specified deadlines. The Governing Body should decide how this can most effectively be done and must receive regular updates at their meetings where this responsibility is delegated to a committee or individual. |
| **Statement of Internal Control (SIC)**  As the SIC is not mandatory, why should governors ask for it to be done? | **It is not a requirement of SFVS to complete a SIC** so it is for governors to decide if this is to take place.  The SFVS concentrates on financial management and does not require testing at transactional levels. However, the day-to-day workings of the school’s finance team underpins the financial management of the school and therefore a review of the internal controls can provide governors and school leaders with assurance on the robustness of the controls and integrity of the systems.  The Schools Accountancy Team’s recommendation continues to be that the governing body reassures itself that financial processes in the school meet or exceed acceptable standards as it has overall responsibility and is accountable for the funding delegated to it.  The DfE no longer provide a template for doing this; however the Enhanced Finance Service offers a Statement of Internal Controls (SIC) Service which schools may wish to purchase in order to provide governors and school leaders with an external, independent review of the schools’ systems. ([efs.schools@schoolschoice.org](mailto:efs@schoolschoice.org)) |
| **Inventory Check – Limit above which governing body approval is required**  Is there a recommended limit for this? | There is no set limit – governors need to decide what they think is appropriate for their school (and what they would want to know about).  Schools vary in how well they record their assets so some schools will have up-to-date inventories and would pick up that something is missing; other schools have such incomplete, out-of-date inventories that something could go missing and they wouldn’t notice. Governors should consider the level of risk represented by the current Inventory and agree appropriate actions to reduce any significant risks. |
| **Management review of the Diary of Events**  Who would this normally be delegated to? | In most schools the Headteacher would review the Diary of Events on a monthly basis.  In larger schools this responsibility may be delegated to the Business Manager, who would be required to report any significant issues to the Headteacher and governors.  Governors may also require the Diary of Events to be available to their Finance Committee on a periodic basis. |
| **INTERNAL BUDGETS DELEGATION ARRANGEMENTS** | |
| This list seems quite primitive; can we ask governors to approve more comprehensive delegation arrangements for internal budgets? | The Decision Planner and the RoFR set out the minimum levels of delegation; governors will delegate the day-to-day running of the school to the Headteacher in their Decision Planner. However, some schools may wish to ask their governors to formally approve the internal arrangements by attaching a local schedule to the RoFR.  The local schedule may include a grid of all staff involved in finance, including budget holders. The grid could indicate the responsibilities and tasks assigned to each individual in order to formalise the division of duties arrangements. Any schedule should be consistent with other sections of the RoFR and the requirements set out in the Finance Policy. |
| **COMMISSIONING ADDITIONAL STAFFING** | |
| Who should be listed in this section? | This would be whoever has the responsibility within the school for organising supply teachers, agency staff and agreeing additional hours etc, especially if it is not the Headteacher, as these are going to result in charges to the budget (and do not normally appear as commitments prior to the actual payments appearing within the accounts).  The Headteacher/governors should regularly review historic practices within the school where staff traditionally work additional hours at certain times of the year as these could give rise to significant costs.  Having clear delegation and review arrangements can help ensure continued value for money for the school. |
| **FINANCIAL REPORTING ARRANGEMENTS:** | |
| **Reporting to Whole Governing Bodies**  Are we allowed to amend this section so that there is no requirement to distribute any financial documents at the Whole Governing Body meeting so that the Finance Committee are the only governors who see any financial reports? | Schools have delegated responsibilities and therefore the reporting requirements are decided by the Governing Body.  It is appropriate for governors to delegate some financial management responsibilities to the finance committee, not to do so would result in lengthy governor meetings and raise the risk that insufficient importance would be given to ensuring that resources were effectively used to improve standards for the benefit of current and future pupils. However, as set out in the Guide to the Law for School Governors the Whole Governing Body continues to be accountable for any decisions taken by the Finance Committee including those relating to functions delegated to the Committee.  The Guide goes on to state:  *‘Any individual or committee to whom a decision has been delegated must report to the governing body in respect of any action taken or decision made. The governing body can still perform functions it has delegated: this enables the governing body to take decisions on matters that are discussed at meetings on functions that have been delegated. For instance, the governing body can decide to move (“vire”) money from one budget heading to another in light of changing circumstances, even if the function of approving and monitoring the budget has been delegated to a committee.’*  The Finance Committee is required to report all actions/decisions taken to the Whole Governing Body and we would recommend that the WGB has the opportunity to see the reports on which the Finance Committee has based their actions/decisions. It is for the WGB to decide the reporting arrangements and to record this on the RoFR (and review these arrangements annually).  The RoFR records the decisions that the Governing Body has agreed (for reporting and other financial management delegations); the Schools Accountancy Team has included suggested reports in the RoFR template (following consultation) as many schools ask for guidance on this.  No section of the RoFR should be left ‘blank’; if the Governing Body decides that reports will not be required then they should indicate this clearly by using ‘None’ or similar. |
| **Reporting to Whole Governing Bodies**  The RoFR recommends that the Full Governors and Finance Committee see the Monthly Oracle Reconciliation termly – why is this? | The RoFR guidance is to help ensure that Governors and Finance Committees are aware of the relevant financial reports that the Schools Accountancy Team would expect them to receive on at least a termly basis.  Suffolk schools currently undertake transactions locally through their bank account (recorded on SIMS FMS) and centrally through the SCC financial system (Oracle). This can potentially result in miss-matches and timing differences between FMS and Oracle and lead to errors to the carryforward at year-end if regular reconciliations are not undertaken. Therefore schools are required to complete a monthly reconciliation between the two systems (known as the Monthly Oracle Reconciliation) in order to provide assurance to governors that financial reports can be relied upon during the year.  The Schools Accountancy Team strongly recommends that governors reassure themselves regularly that the Monthly Oracle Reconciliation has been completed and that any significant discrepancies have been investigated and resolved.  The school also receives a monthly Oracle Management Print. We would not expect this report to go to governors unless specifically requested as it only contains information that should already be included in any reports produced from FMS. |
| **SEPARATE SCHOOL/COLLEGE FUND – BANK ACCOUNT** | |
| What is an Honorary Auditor? | An honorary auditor is one that does not receive a fee or reward for auditing the School Fund accounts, in practice many schools give a small, low value token of appreciation to the honorary auditor.  The alternative is to employ a professional auditor/firm of auditors who will charge a fee. Either way the standard of audit and the requirements on the auditor are the same (see School Fund Regulations on Suffolk Learning – Schools Accountancy Pages).  The governors need to confirm in advance who is to audit the accounts and know whether a fee is payable. |
| Can we include ‘Member of Enhanced Finance Service’ as the name of the Auditor? | It is perfectly acceptable for a member of the EFS to audit School Fund accounts. As a fee is paid for this service they would not be classed as an honorary auditor.  Systems are in place to ensure that the member of EFS instructed to do this work does not have a conflict of interest (for example, they will not be sent to a school where they have assisted in the administration of the accounts or the production of the documents for audit, or where they are a governor). |