

### EXPLANATORY NOTES ON HOW TO COMPLETE THE CHIEF FINANCE OFFICER'S (CFO) STATEMENT FOR THE DEDICATED SCHOOLS GRANT (DSG):

#### OUTTURN 2013-14

1. This explanatory note has been prepared by the Department for Education to assist local authorities in the completion of the DSG CFO statement for the actual deployment of the 2013-14 DSG.
2. Before signing the CFO Statement, Chief Finance Officers should satisfy themselves that the DSG was fully deployed in support of the Schools Budget.
3. The Statement is formally linked with the Note to the Local Authority's accounts concerning the DSG, and the CFO is asked to confirm that the audited Note correctly states the deployment of the DSG. In the (unlikely) event that this is not the case, the CFO should submit a corrected version of the Note with an explanation of how the discrepancy arose, and make an appropriate manuscript change to the Statement.
4. The CFO will also need to ensure that there are no adverse comments that relate to the DSG in the 2013-14 audited accounts or any supporting external audit correspondence. If adverse comments were made and if there is any other supporting audit correspondence, then copies should be sent to the Department.
5. In signing the statement, the CFO should take into account the Annual Governance Statement, robustness of pupil data and arrangements to ensure value for money as referred to in the DSG operational guidance available at:

<http://media.education.gov.uk/assets/files/doc/d/dsg%20operational%20guidance%202013-14.doc>

6. A copy of the Local Authority's Note to the Accounts concerning the DSG should be submitted to the Department along with the signed CFO statement. This Note to the Accounts is required by regulation 7(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.
7. The Department requires information relating to:
  - **any contribution by the LA from its own resources, other than school balances: information about school balances **should not** be**

included in the LA's Note to the Account concerning the DSG.

The Department does not require information about:

- **expenditure funded from other sources, such as the EFA grants.**

8. Where the carry forward figure from 2012-13 shown in the Note to Accounts differs from that previously agreed with the Department, an explanatory note must be provided.

9. If the Chief Finance Officer is unable to sign the Statement, then an explanation should be sent to the Department along with the unsigned statement and a copy of the 2013-14 audited accounts.

10. The Department will follow up with the Authority **all** discrepancies highlighted in its scrutiny of the Statement and Note to the Accounts.

11. A copy of CIPFA's guidance note on the completion of the Authority's Note to the Accounts is attached to this explanatory note. Further advice should be obtained from CIPFA.

#### **Additional criteria to the DSG assurance system**

12. On receipt of the 2013-14 Outturn data we will be approaching specific LAs to request information on how they are proposing to address the issue if an:

**A:** LA has over-spent its Dedicated Schools Grant by 2% or more (ie it is 2% or more in deficit)

**B:** LA has under-spent its Dedicated Schools Grant by 5% or more (ie it is 5% or more in surplus)

**C:** LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria

**D:** LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria

13. For advice on the completion of this CFO Statement or the Department's operational guidance, please contact Marcia Richards on 020 7340 7762 or Faustina Ofori on 0207 340 7771.