

1.6 SCHOOL STAFF - FINANCIAL MANAGEMENT SKILLS ANALYSIS

Introduction

The SFVS contains the question – “Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, e.g. on sick leave?” The following is reproduced from the SFVS support documents to assist schools analyse this in relation to their staff and other expertise available.

The Matrix

This matrix summarises the financial management skills that best practice determines should be held by staff with financial management responsibility within the school. This skills matrix can be used:

- by individuals who wish to identify their personal training and development needs;
- by head teachers and senior leadership teams (SLTs) to find out what financial management competencies are available to the school; and
- by schools as a key development tool for both individuals and the SLT as a whole.

How to use the matrix

The key financial management competency is in bold (e.g. the first is "Leads and manages the development of strategic financial plans"), and examples of the characteristics that demonstrate this competency are provided beneath it.

Examples of who to include when using this tool might be:

A large school may include – head teacher, deputy head, SLT, and other main budget holders, school business manager, finance assistants and finance administrator.

A small school may include – head teacher and finance administrator.

As schools vary so much in size and are organised in different ways, it is impossible to give precise guidance on who should be included. Main budget holders are likely to include subject leaders or heads of years, but not individual teachers with small budgets for teaching materials or consumables but no wider finance responsibilities. In a small school, teachers will be responsible to someone more senior for the use of that budget, and that more senior person is likely to be part of this review.

Typically, even for the largest school, it would be unusual to include more than 12 people in a review of this kind. For a small primary school, a review is unlikely to include more than 4 people.

First - identify who should have key financial expertise and fill in their details at the top of the grid. This allows the grid to be

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tailored to the individual school’s governing body financial management requirements.

Second - for each staff member identified, **use the ratings** below to show the level at which the person has the relevant expertise, by making reference to the key indicators and the typical examples.

Third - on completion, **analyse** the results to ensure the skills, knowledge and attitudes are spread across the staff in the most appropriate way i.e. there is no over or under concentration of competencies with one specific staff member.

Rating System	Highly Competent	Competent	Developing	Not yet developed
	1	2	3	4
	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have significant practical experience • this is something that you undertake on a regular basis • this is a personal characteristic or style that you demonstrate all of the time • there is a regular programme of activities to maintain technical competence 	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have some practical experience • this is something that you undertake on an infrequent basis • this is a personal characteristic or style that you demonstrate most of the time • there is a regular programme of activities to maintain technical competence 	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have little practical experience • this is something that you rarely undertake • this is a personal characteristic or style that you demonstrate some of the time • there is a programme of activities to develop the technical competence in this area 	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have no practical experience • this is something that you have never undertaken • this is a personal characteristic or style that you rarely demonstrate • there is no programme of activities to develop the technical competence in this area

A key point is that not all staff need all of these skills, but collectively relevant staff should have these competencies between them. Individuals need only those that are relevant to their area of responsibility.

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	HEAD TEACHER / DEPUTY HEAD / SENIOR LEADERSHIP TEAM / MAIN BUDGET HOLDERS / OR EQUIVALENT	SCHOOL BUSINESS MANAGER / FINANCE ASSISTANT / FINANCE OFFICER / OR EQUIVALENT
<p>1. Leads and manages the development of strategic financial plans:</p> <ul style="list-style-type: none"> • Takes a long term view of financial management issues • Has knowledge of, and advises governors on the trends in education and their financial implications • Works with governors to develop the school priorities, aims and objectives • Knows the role/level that staff should operate • Able to translate broad aims and priorities into SMART (specific, measurable, achievable, realistic, timebound) objectives • Delegates tasks to best placed person providing them with necessary direction, guidance and authority to undertake the task(s) • Promotes team working between staff and with governors 		
<p>2. Able to research and analyse strategic choices and recommends those most likely to achieve the school’s goals and objectives:</p> <ul style="list-style-type: none"> • Able to extract and analyse information in a useful way • Presents information clearly to others, including governors • Has an understanding of financial risks and the potential impact • Uses own experience, networking and lateral thinking to identify different options • Assesses the financial implications of strategic choices facing the school • Knows how to focus those matters which are most significant (e.g. the materiality principle) • Is open to new ideas, consults/listens to stakeholders • Willing to work in partnership with outside bodies 		
<p>3. Has a clear understanding of good financial management practices and the school’s performance compared to it:</p> <ul style="list-style-type: none"> • Has knowledge of current financial performance of the school • Regularly participates in networking activities and is outward looking rather than internally focused • Has knowledge and understanding of internal control processes • Understands and participates in the school’s self-evaluation activities of financial performance/controls • Reviews and undertakes benchmarking activities • Co-operates with external inspectors/auditors etc. and initiates appropriate action in response to 		

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their findings	HEAD TEACHER / DEPUTY HEAD / SENIOR LEADERSHIP TEAM / MAIN BUDGET HOLDERS / OR EQUIVALENT	SCHOOL BUSINESS MANAGER / FINANCE ASSISTANT / FINANCE OFFICER / OR EQUIVALENT
<p>4. Understands statutory financial requirements for the school, including local authority requirements for maintained schools</p> <ul style="list-style-type: none"> • Understands the financial framework in which the school operates • Has knowledge of the school’s funding arrangements and funding streams • Has knowledge of information that is required by the local authority and DfE • Ensures that information is provided in line with timescales and deadlines. 		
<p>5. Understands and can undertake budget setting activities</p> <ul style="list-style-type: none"> • Understands finance and budgeting • Has numeric skills • Understands that resource allocation can affect outcomes and focuses on this, rather than just looking at inputs • Pursues income generation opportunities when required • Understands links between activities of the school and their associated costs. 		
<p>6. Understands and can undertake budget monitoring activities</p> <ul style="list-style-type: none"> • Has knowledge of the financial information that should be provided for review regularly • Able to interpret budget monitoring information in a useful way • Communicates budget monitoring information to interested parties and the governing body. 		
<p>7. Understands the importance of communicating the school’s performance to stakeholders</p> <ul style="list-style-type: none"> • Ascertains and provides information to meet governors needs • Anticipates stakeholder questions and gets answers • Establishes trusting and inclusive relationships with school staff, the governing body and the local authority • Provides financial information to parents as appropriate • Uses diplomacy when answering difficult questions 		

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<p>8. Demonstrates the personal commitment and qualities required for financial management</p> <ul style="list-style-type: none"> • Participates in the financial work of the school by preparing for and attending meetings, contributing to discussions and taking agreed actions • Takes part in available financial training and chances to develop knowledge / skills / understanding • Seeks appropriate professional support and development • Is systematic in the way that tasks are undertaken • Takes responsibility for self and workload • Gives and receives constructive feedback • Understands where to get additional information and advice from 		
<p>9. Has a clear understanding of the framework of financial control</p> <ul style="list-style-type: none"> • Follows good financial practice within statutory and national requirements • Follows good financial practice in accordance with local requirements • Has an understanding of own and others roles and contributions in relation to the financial management structure • Regularly revises financial planning timetables to take account of changes in deadlines 		
<p>10. Controls and monitors financial systems</p> <ul style="list-style-type: none"> • Supervises (controls and monitors) the work of other people • Ensures that operational, procedural and regulatory requirements are met • Takes action when things are not being done/done properly/done efficiently • Supervisory (control and monitoring) activity covers: <ul style="list-style-type: none"> - Income received - Payroll - Purchasing - The banking system - Petty cash holdings and payments - Taxation system - Voluntary funds - The school's assets - The financial management system e.g. RM Finance, SIMS, Sage, Pegasus. 		