



Hampshire
County Council

Financial Management Standards in Hampshire Schools

Impacts on Leaders and Learners

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Overview of Financial Management

- Background to initiative
- The Standard and Toolkit
- Main Components
- Self Assessment
- External Assessment
- County Treasurer Assurance
- Financial Probity
- Impacts on Leaders and Learners



Background to FMSiS

- Education government priority
- Large funding increases
- Want to maximise the use of resources
- Value for Money (public funds)



Background

- DfES pilot study in 2002 concluded that “Financial Management standards in schools could benefit from support for self improvement and capacity building.”
- To do this schools needed five things:
 - A clear and consistent standard for financial management
 - A self-evaluation tool for schools to identify their own current strengths and weaknesses and prioritise action for improvement



Background

- An external evaluation tool for external and independent opinion on whether or not they meet the financial management standard
- A guide to the existing sources of advice on what constitutes good financial management
- Guides to good practice in respect of aspects of financial management not covered by existing guidance



Financial Management Standard – why do we need one?

- Effective financial management and benchmarking is essential for schools in order that they can:
 - Exercise proper control and stewardship over the significant amounts of public funding entrusted to them
 - Allocate and deploy resources effectively to meet school priorities for development and improvement

The Standard

- Developed by DfES and Institute of Public Finance (IPF)
- First release in 2004, updated 2005 and 2006
- Available to all schools on website at:
www.fmsis.info
- A simple statement of what a school that is managed well financially would look like



Main components of the Standard

- Leadership and Governance
- People Management
- Policy and Strategy
- Partnerships and Resources
- Processes



Ofsted Inspection Report

- Leadership and Management – how effective are they in raising achievement and supporting learners?
 - How effectively and efficiently resources are deployed to achieve value for money
 - The extent to which governors and others discharge their responsibilities



Toolkit – main components

- One page standard
- Guide to the standard (separates essential and desirable)
- Good practice summaries
- Links to good practice resources
- Self-assessment tool
- External assessment tool
- glossary



Self-assessment

- On line tool (complete and submit to LA)
- Shows the evidence that governors and senior managers in schools should expect to see to confirm compliance
- Recognises that those undertaking the assessment will know from their own direct experience whether a number of the required components are in place
- Normally completed by a number of governors and senior managers (separately at first, but ultimately together) so a consensus view can be arrived at

External Assessment

- Shows the evidence that an external assessor would expect to see to support compliance with the standard
- Recognises that those undertaking the assessment will not have a detailed personal knowledge of the school's operations
- The assessor will need to rely much more on hard evidence (e.g. previous audits)



Process and Timetable

- All schools to complete self-assessment
- External Assessment to be completed by CT Audit Services staff October – February 2007
- All secondary schools expected to meet standard by March 2007
- Reassessment every 3 years
- Extension to Primary and Special schools



County Treasurer Assurance

- Responsible officer under S151 Finance Act
- Signs to say all schools meet standard or are working towards
- Evidence from assessments
- Internal audits, EFS and Governor Services
- Updating Scheme of Financial Management (and sanctions for non-compliance)



Financial Probity

- Fraud Detection and Response Guide (R48) – early warning signs
- Schools Communication 1582 of 16 March 2006 - Standards of Financial Management in Schools
 - Responsibility of HT/Governors to secure probity in all school finance matters
 - Expectations upon governors and HT as public servants differs from the expectations and practices that can often be seen and experienced by governors in the private sector



Financial Probity

- Last year a number of areas of concern:
 - Award contracts and commission work
 - Tendering processes
 - Pecuniary interests
 - Staff undertaking work for other agencies
 - Receipt of gifts for approved work for others



Impacts on Leaders and Learners

- DfES study on effective schools – looking at use of resources and impact on educational outcomes
- The key to effective school business management – the role of the bursar (school business manager)
- Financial Management an aspect of leadership and management which can make a difference
- Adhering to FM Standards will help avoid letting young learners down
- Squeezing most out of (public) resources for children's benefit, and aimed at school priorities



Finally

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Thank you

Questions?



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