



A Brief Guide to the Financial Competencies of a School Governing Body

Developed by IPF
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Brief guide to the financial management competencies needed by the Governing Body

Introduction

This competencies matrix can be used at different levels:

- For individuals who wish to identify their personal training and development needs
- To collectively ascertain the Governing Body's financial management competencies

How to use the matrix

First, Identify who within the Governing Body should have key financial competencies and fill in at the top of the grid. This allows for the grid to be tailored to the individual schools Governing Body financial management requirements. The Key financial management indicator is in bold, and examples of this are provided beneath it

Examples can include:

A large school may include – Chair of governors, other Governing Body members, Chair of Finance Committee, Finance Committee members etc.
A small school may include – Chair of governors, governor responsible for finance, other Governing Body members

Second, for each governor identified use the ratings (below) to identify the level at which the person has the relevant competencies 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 not over or under concentration of competencies with one specific staff member.

A **Key Point** is that **not all** Governors need **all** these skills, but collectively the Governing Body (& Finance Committee if it exists) will ideally have these competencies between them.

Click here for the Matrix of staff financial competencies as a Word document that can be downloaded.

RATING SYSTEM	1	2	3	4
	HIGHLY COMPETENT	COMPETENT	DEVELOPING	NOT YET DEVELOPED

FINANCIAL MANAGEMENT COMPETENCIES	Governors with Financial Management responsibilities					
PROVIDES STRATEGIC LEADERSHIP	Chair of Governing Body	Chair of Finance Committee	Governor with Finance Role			
Key indicators and typical examples						
<p>Leads the development of strategic plans:</p> <ul style="list-style-type: none"> ▪ Has knowledge and understanding of school priorities, aims and objectives and takes a long-term view ▪ Knows the strategic level that governors should operate at ▪ Able to articulate strategic priorities and objectives clearly ▪ Can assimilate the financial implications of school priorities ▪ Delegates tasks to Head Teacher or Bursar providing them with necessary direction, guidance and authority to undertake the task(s) ▪ Acts with integrity and sets a good example ▪ Promotes team working between governors and with staff 						
<p>Able to identify viable options and select or recommends those most likely to achieve the School's goals and objectives:</p> <ul style="list-style-type: none"> ▪ Able to use information provided by staff in a useful way ▪ Will take necessary decisions, even if difficult ▪ Uses lateral thinking to identify different options ▪ Knows how to review the results of option appraisal techniques applied by school staff ▪ Knowledge of "materiality" principle and applies it ▪ Is open to new ideas, consults/listens to stakeholders ▪ Willing to work in partnership with outside bodies 						

<p>Has a clear understanding of best financial management practice and school performance compared to it:</p> <ul style="list-style-type: none"> ▪ Has knowledge of the School's current financial performance ▪ Has knowledge of internal control processes ▪ Understands and participates in the school's self-evaluation activities of financial performance/controls ▪ Co-operates with external inspectors/auditors etc. and initiates appropriate action in response to their findings ▪ Regularly participates in networking activities and is outward looking rather than internally focused 						
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FINANCIAL MANAGEMENT COMPETENCIES	Governors with Financial Management responsibilities					
ENSURES ACCOUNTABILITY	Chair of Governing Body	Chair of Finance Committee	Governor with finance role			
Key indicators and typical examples						
Understands the LA and statutory financial requirements for the school <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 can be requested by LA and Government departments 						
Understands and can undertake budget setting and budget monitoring activities <ul style="list-style-type: none"> ▪ Understanding of finance and budgeting ▪ Has numeric and analysis skills ▪ Understands that resource allocation can affect outcomes and focuses on this rather than just looking at inputs ▪ Has knowledge of the financial information that should be provided for review regularly ▪ Able to interpret budget monitoring information in useful way and communicates the interpretation to interested parties 						
Understands the importance of communicating the schools performance to stakeholders <ul style="list-style-type: none"> ▪ Understands the monitoring returns provided to the LA and DfES ▪ Knows the procedural requirements and timescales for the school and checks they are followed ▪ Anticipates stakeholder questions and gets answers ▪ Understands and uses a clear framework on the governors’ report on school finances to parents ▪ Is open and diplomatic when communicating with stakeholders 						

FINANCIAL MANAGEMENT COMPETENCIES	Governors with Financial Management responsibilities					
ACT AS A CRITICAL FRIEND	Chair of Governing Body	Chair of Finance Committee	Governor with finance role			
Key indicators and typical examples						
<p>Has a commitment to the school and the work of the governing body:</p> <ul style="list-style-type: none"> ▪ Participates in the work of the Governing Body by preparing for meetings, attending meetings, contributing to discussions, taking agreed actions ▪ Improves knowledge of the school and becomes familiar with it through discussions with head and staff, reading relevant papers, visiting the school etc. ▪ Takes part in available financial training and other chances to develop knowledge, skills and understanding ▪ Helps new governors to understand their financial management role and to make a full contribution ▪ Declares personal or pecuniary interests as appropriate and avoids using his/her position for personal gain 						
<p>Presents information and views clearly and influentially to others:</p> <ul style="list-style-type: none"> ▪ Has credibility with partners and colleagues ▪ Able to influence others and build consensus using the power of argument and clear presentation of the case ▪ Uses analytical skills to challenge management constructively and ask probing questions ▪ Gives and receives constructive feedback ▪ Understands where to get additional information and advice from ▪ Seeks to resolve misunderstanding and conflict 						