

### INTRODUCTION TO FINANCIAL MANAGEMENT FAQ'S - OVERVIEW

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#### **Who is responsible for developing the school's financial budget?**

Ordinarily, the Headteacher and Business Manager are responsible for developing the school's financial budget based on the priorities of the school development plan. The process may differ slightly if the school is part of a multi academy trust.

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#### **When developing the school's strategic financial plan what should be considered?**

When developing the schools strategic financial plan, there are a number of issues that should be considered, such as:

- Pupil numbers
  - Funding allocations
  - Staffing costs
  - School priorities
  - Curriculum requirements
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#### **How often should we monitor income and expenditure?**

If you are an Academy, then you must produce financial reports on a monthly basis which outline your income and expenditure, whereas maintained schools must produce quarterly monitoring reports for the Local Authority. Good practice would be, regardless of which type of school you are, to monitor income and expenditure on a monthly basis, demonstrating robust financial management.

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#### **How should we manage internal budget monitoring?**

Many schools have middle and senior leaders as budget holders. As budget holders, they have a responsibility to ensure purchase are made in line with the schools financial manual and demonstrate value for money. School's should ensure that all budgets holders are aware of the procurement procedures within the financial manual and often ask members of staff to familiarise themselves with the manual.

To ensure budget holders are kept up to date with their budgets, reports should be issued to budget holders, on at least a quarterly basis, to keep them up to date with their expenditure.

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# FINANCIAL MANAGEMENT FAQ'S

## Who should completed declaration of business interest forms to demonstrate probity?

All Governors, Trustees and staff within financial responsibility (including budget holders) should complete an annual business declaration form outlining and business interest, such as family run business that the school use.

## How should schools demonstrate that they have sound internal control?

The Education Skills Funding Agency state that Academy Trusts should have a tiered approach to internal control, which includes:

- clearly communicating procedures, structures and training of staff
- appropriate day to day supervision and checks by management
- internal scrutiny overseen by an audit and risk committee
- external audit and assurance.

For Academy Trust's this is a requirement of the Academies Trust Handbook, however maintained schools may wish to adopt a similar approach.

## Do Governors have to approve the school budget?

All Governors/Trustees must approve a budget on annual basis and have this formally documented within the minutes of their meetings.

## Do all schools have to publish the number of employees whose gross annual salary is more than £100,000?

Yes – both maintained schools and academies are require to publish on their website the number of school employees (if any) whose gross annual salary is £100,000 or more in £10,000 bands. The Academies Trust Handbook details the requirements for academies and the School Information (England) Regulations 2020 outlines the requirements for maintained schools.

## What tools can I use to determine if my school is managing their reserves effectively?

There are a number of tools available to schools, including the schools resource management self-assessment toolkit for academies (SRMSAT) and the schools financial value standards for maintained schools (SFVS). The DfE has also developed a tool called view my financial insights (VMFI) which helps schools to view and improve their financial performance. The tool can compare your school to up to 30 statistical similar schools across a range of cost categories.



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