

The essential items for achieving the Financial Management Standard in Schools are as follows:

1. Leadership and Governance

1.1 The staff and governors have a shared understanding of their own financial management roles, responsibilities and accountabilities, and those of others

1.2 School governance arrangements ensure that Governors are able to fulfill their financial management roles, responsibilities and accountabilities properly

1.3 The Head teacher and Bursar (if in post) operate with financial integrity setting an example to governors and staff alike

1.4 The Governing Body has considered and signed a Statement of Internal Control (SIC) confirming that resources have been properly managed

1.5 The School has effective governance arrangements covering issues which include conflicts of interest and whistle blowing

2. People Management

2.1 The Governing Body includes individuals who are able to:

- Be an effective "critical friend" on financial management issues
- Provide strategic leadership on financial management issues
- Ensure financial management accountability

2.2 The staff with financial management responsibilities include individuals who are organised in a way that enables them to:

- Provide a strategic view
- Ensure accountability requirements are met
- Facilitate the effective operation of financial processes

3. Policy and Strategy

3.1 The school has an annual budget that:

- Is realistic and affordable in relation to available resources and cash flows
- Is approved by Governors on a timely basis
- Reflects the school development plan
- Is consistent with longer term financial plans (including recovery of deficits or saving up for future developments)

3.2 The governors and the staff have compared the School's financial performance with that of similar schools, examined reasons for differences and taken action where necessary

4. Partnerships and Resources

4.1 The Local Authority and the school have agreed their respective financial management roles and responsibilities

4.2 The school has procurement arrangements in place to secure value for money from all suppliers including the Local Authority and outside contractors

5. Processes

5.1 The financial management information provided to governors and staff meets their needs by being:

• Relevant	• Timely
• Accurate	• User friendly

5.2 The school provides the Local Authority with accurate and up to date information in accordance with the Local Authority's needs

5.3 The school complies with Consistent Financial Reporting requirements on a timely basis

5.4 The school has up to date, documented and approved financial regulations that are implemented consistently

5.5 The school has up to date, documented and approved detailed financial procedures that are tailored to the school's needs and implemented consistently

5.6 The school maintains proper accounting records throughout the year

5.7 The governors and staff have evidence that there is effective control over:

• Financial management system	• Petty cash holdings and payments
• Income received	• Taxation system
• Payroll	• Voluntary funds
• Purchasing	• The School's assets
• The banking system	