

The Financial Management Standard and Toolkit

The Financial Management Standard and Toolkit (FMS&T) has been around for a few years, but attention focused on it following the DCSF announcement in Summer 2006 that all secondary schools would be expected to meet the standard by March 2007.

A timetable has since been set by DCSF for all Primary and Special Schools to meet the standard by March 2010.

March 2008 – 40% of Primary and Special Schools

March 2009 - A further 40% of Primary and Special Schools

March 2010 – The remaining 20% of Primary and Special Schools

However, in Dudley the following timetable has been agreed

March 2008 – 50% of Primary and Special Schools

March 2009 - Remaining 50% of Primary and Special Schools

The process and the timetable for implementing FMS in schools is included in the Scheme for Financing.

The Financial Management Standard is a simple statement of good financial management and the Toolkit contains resources and help to support the standard. The standard can be found on the Internet

<http://www.fmsis.info>

The FMS&T is available on a CD, but will work more effectively on the Internet. All the pages are linked and cross-referenced – if you want to find out more information on a heading, links are shown to take you to the appropriate page.

Background Information

After some research, the DfES formed the conclusion that financial management standards in schools could benefit from support for self-improvement and capacity building. In order to do this, it was felt that schools needed four things:

1. A clear and consistent standard for financial management.
2. A self-evaluation tool for schools to identify current strengths and weaknesses and prioritise action for improvement.
3. An external evaluation tool for an independent opinion.
4. A guide to the existing sources of advice on what constitutes good financial management / practice.

What is in the FMS&T?

The FMS&T homepage contains the following general documents:

The introduction which outlines what a Financial Management Standard is, how to use it and how to use the toolkit.

The One page Financial Management Standard gives a summary of the standard and is split into five sections:

Leadership and Governance	Good financial management requires clear leadership and effective governance.
People Management	The staff who are responsible for financial management must be well trained and ably led.
Policy and Strategy	Resources are deployed carefully to ensure the school meets its objectives, achieves Best Value and undertakes activities that it can afford.
Partnerships and Resources	The school uses its resources efficiently and effectively and seeks to access additional resources through partnerships and other arrangements.
Processes	Financial Management includes effective processes for budgeting, monitoring, control and reporting to ensure that financial plans are achieved, loss and waste are minimal and that safeguards against fraudulent practice are robust.

The Guide to achieving the Standard gives details for each of the above sections on what to aim for, how to get there and where to find help. Here is an example from the Leadership and Governance section:

What to aim for (Item from Standard in Bold)	How to get there	If you need more help
1. Leadership and Governance		
1.1 The staff and governors have a shared understanding of their own financial management roles and responsibilities and those of others	1.1 Roles for the governing body, relevant committees, headteacher, bursar and levels of delegated authority should be: 1.1.1 In writing and approved by the governing body as appropriate. 1.1.2 Readily available in the information pack provided to all new governors. 1.1.3 Easily understood by those who have to follow them. 1.1.4 Consistently implemented by all those concerned. 1.1.5 Regularly brought to the attention of governors, e.g., through annual financial update training, regular newsletters, bulletins or annual information packs provided to all governors.	<ul style="list-style-type: none"> ▪ S1.1 Role of the headteacher ▪ S1.2 Role of the governing body and its committees ▪ S1.3 Role of the bursar

The Assessment tool is key, and designed to enable schools to benchmark their own performance against a nationally recognised statement of good practices as well as identify areas for development.

For each element of the Standard, this tool shows the evidence that governors and senior managers in schools should expect to see to confirm compliance with the Standard.

The tool is also used by external assessors and shows the evidence that an external assessor would expect to see to support compliance with the Standard.

What do governors need to do?

First of all, have a look at the FMS&T. Use the website address at the beginning of the article and spend a little time having a look at the standard and how it links together.

Secondly, try and attend a briefing session which have been organised by the Council's Governance Team.

Thirdly, do talk about the FMS&T at your governors' meetings.

If you would like any further information about this article or anything to do with the Financial Management Standard please contact

Shaun Potter
Audit Manager
814837