Accountability Framework – Schools

Financial Services – Schools Finance Team

Introducing the Accountability Framework – Schools

As a result of prudent financial management, the majority of schools are in a strong financial position.

This provides a strong platform from which to navigate the future challenges that will arise. Schools are operating in a challenging financial environment, driven by rising costs such as inflation (including staff pay rises), declining pupil numbers and tighter fiscal funding.

This places an increasing importance on the need to continually strengthen financial management processes, so that schools retain effective oversight of their cost base and can plan use of resources accordingly.

Therefore, to support an improvement in financial management standards, an Accountability Framework has been created which sets out the expectations placed on Schools, together with the support they can expect to receive from their finance business partners within the Schools Finance Team.

The framework seeks to ensure the right level of school participation in financial management processes, supported by effective finance business partnering. This is a change for some schools but recognises that schools are best placed to influence their position and ensure their service can be delivered within their budget.

School Accountabilities / Schools Finance Team Responsibilities

Robust financial planning and monitoring supports excellent financial management. Headteachers, School Business Managers and Governors are fundamental to this process and are best placed to know their school and the actions necessary to deliver curriculum and standards within agreed limits. **As a School you are expected to**: -

- Make evidence-based business decisions which benefit the school and the pupils within the school
- Deliver curriculum and standards within your agreed budget
- Monitor financial performance regularly, to include reviewing all areas of the budget, and undertaking monthly payroll reconciliations, ensuring measurable and corrective actions are taken to address risks, overspends and excess carry forwards
- Ensure plans are in place to legitimately maximise the use of all grant funding, as per the specific grant conditions
- Ensure forecasts are regular (monthly, as a minimum September, November and January), realistic, timely and can be evidenced
- Consider the medium-term financial implications due to any changes, and the impact those changes will have on the Medium Term Finance Plan (MTFP), ensuring scenario planning is undertaken when required
- Create a culture of continuous improvement, including regular benchmarking
- Ensure compliance with the Scheme for Financing Schools, Financial Regulations and Procedures and operational guidelines
- Deliver and evidence value for money services
- Consider the financial implications of any proposed decisions
- Provide relevant information to Schools Finance Team Business Partners to develop an understanding of your school and the challenges you face, so they can provide informed and insightful advice and potential solutions

Schools Finance Team (SFT) Finance Business Partners will provide advice, support and guidance to schools based on Finance Regulations, procedures and operational guidelines. SFT Finance Business Partners are expected to: -

- Discuss any aged debt with the school
- Discuss pupil number projections
- Review all funding to ensure accurately included in schools MTFP
- Undertake reasonableness checks of all non-staffing costs for all funding streams
- Review and discuss utilisation of all funding streams for all years
- Offer guidance and direct schools to appropriate area when they have questions regarding their payroll reconciliation. Please note - *Monthly payroll reconciliation will not be carried out by the team*
- Discuss the forecasting process and provide guidance and assistance where required
- Discuss benchmarking and assist where necessary
- Provide positive challenge to assist with scenario modelling
- Highlight areas of risk and concern and advise on action where needed
- Provide financial training/coaching where required