

17.0 GOVERNORS**17.1 Introduction**

This section covers the procedures necessary to ensure that Governing Bodies comply with DfE and County Council requirements in relation to:

1. Register of Interests;
2. Register of Gifts and Hospitality;
3. the declaration of interests;
4. the payment of Governors Allowances; and
5. the Schools Financial Value Standard (SFVS).

17.2 Register of Interests

17.2.1 Under the Financing of Maintained Schools (England) Regulations 2003 School Governing Bodies are required to establish, and keep updated, a register that lists for each member of the Governing Body (including, as appropriate, Associate Members), the Headteacher and those other members of staff who can influence purchasing decisions, any business interests that they, their partner or any member of their immediate family have.

17.2.2 This register must include all business interests such as directorships, share holdings with a value in excess of £5,000 and other appointments of influence within a business or any other organisation that may have dealings with the school. The disclosures should also include business interests of partners or relatives who may have dealings with the school.

17.2.3 The register must be kept available in school and be open for inspection (on request) by governors, parents, staff and the Local Authority. The Clerk to the Governing body should ensure that the register is kept up to date and complete and includes all governors, associate members and relevant staff. Where applicable, signed and dated nil returns should also be kept. It is good practice to review the register on an annual basis and the pro forma Register of Business Interests included at Appendix 1 allows for annual updates to be made.

17.2.4 In addition, it is good practice for members of staff who can influence purchasing decisions to complete a register of their interests. This register should be maintained by the Headteacher.

17.3 Register of Gifts and Hospitality

17.3.1 In March 2012, Veritau issued a revised protocol for school employees, including governors, in relation to gifts and hospitality. The protocol can be found at Appendix 2.

17.3.2 The LA's Code of Conduct states:

"An employee should tactfully refuse any personal gift to him/her or to a member of his/her family which is offered by, or is indirectly attributable to any person or body who has, or may have, dealings of any kind whatsoever with the Council or who has applied, or may apply, to the Council for any planning or other kind of decision."

17.3.3 The acceptance of any gift/hospitality by a member of the Governing Body or an employee from any persons may be viewed with suspicion by the public.

17.3.4 The purpose behind the maintaining of a register is to ensure that where a gift or hospitality is accepted, the details are recorded at the time.

17.3.5 The register can be inspected by members of the Governing Body, the Headteacher or representatives of the LA and is available for checking purposes if a complaint should be made at some future date.

17.3.6 A proforma Register that can be adopted by schools can be found at Appendix 3.

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17.3.7 Gifts

As an exception to the general requirement to record all gifts received, the following may be excluded:

- a) Small gifts, often given by way of trade advertisements, i.e. diaries, calendars or similar articles that may be used in the office;
- b) Small gifts of token value given at the conclusion of a courtesy visit.

Any other gift should be recorded, i.e. gifts offered by public or voluntary bodies in recognition of some service rendered such as giving an address or a gift or bequest contained in a deceased person's will.

The details of gifts/hospitalities should be recorded by the recipient.

17.3.8 Hospitality

There is generally no cause for concern if the offer of hospitality is made by another public body but all cases should be recorded.

Special caution should be exercised when the hospitality is offered by a person or body having or seeking business from the school. In general, such offers should be declined.

If there is any doubt about whether a gift or hospitality may be accepted it should be politely and tactfully refused.

17.4 **Declaration of Interests**

17.4.1 Under regulation 14 and Schedule 1 of The School Governance (Procedures) (England) Regulations 2003, if any governor has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter which is to be discussed at a Governing Body meeting, or at one of its Committee meetings, the governor should announce their interest at the start of the meeting and withdraw from the meeting whilst the matter is under consideration. Provided that such requirements are complied with, a member of a Governing Body may enter into a Contract with the Governing Body of a school from which he is entitled to a profit.

17.4.2 Indirect pecuniary interests could involve a governor being employed by a company or firm to whom the Governing Body awards a contract or a governor's spouse or partner being awarded a contract by the Governing Body. Further advice on the declaration of interests may be obtained from the Governor Support Team or the internal audit service, Veritau.

17.5 **Governors Allowances**

17.5.1 Under the Education (Governors' Allowances) (England) Regulations 2003, Governing Bodies may establish schemes for the payment of expenses from the delegated budget to Governors (including associate members) for any expenditure necessarily incurred by individual governors/associate members to enable them to carry out governor/associate member duties. Any scheme must be adopted by the governing body and adoption formally recorded in its minutes before expenses are payable.

17.5.2 The Regulations allow for "payments by way of allowance in respect of expenditure necessarily incurred for the purposes of enabling the individual to perform any duty". The Regulations are not specific, allowing individual governing bodies to decide what should be eligible, but examples include:-

- child care or babysitting expenses;
- care arrangements for elderly or dependent relative;
- support for Governors with special needs (e.g. audio equipment);

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- support for Governors whose first language is not English (e.g. translations);
- travelling expenses (see paragraph 3 below).

The Regulations do not allow Governors to be paid attendance allowance or for loss of earnings. The Governor must have actually incurred expenditure for which he or she is being reimbursed.

- 17.5.3 Travelling expense payments are limited to either the reimbursement of public transport costs (standard class if rail travel is involved) or mileage payments payable at no more than the mileage rates for teachers as detailed in Appendix 5 to Chapter 8 of this Manual. If payments are made for subsistence these are also subject to statutory limits. Details of limits are available from the internal audit service, Veritau.
- 17.5.4 So long as payments reimburse actual expenditure, they are not taxable. However, tax liabilities may arise on mileage payments if Governors are paid more than the HMRC approved mileage rates, which currently stand at 40p per mile.
- 17.5.5 Claims may be submitted on proforma invoices or on claim forms devised by schools for Governors use.

17.6 The Schools Financial Value Standard (SFVS)

- 17.6.1 All Local Authority maintained schools are required to complete the Schools Financial Value Standard once a year. The SFVS replaces the complex and burdensome Financial Management Standard in Schools (FMSiS) self-evaluation tool that was introduced in the early 2000s and made compulsory in 2007.
- 17.6.2 It aims to assist schools with the management of their finances and to give assurance that they have secure financial management in place. As Governing Bodies have formal responsibility for the financial management of their schools, the standard is primarily aimed at governors.
- 17.6.3 The SFVS is a series of 23 questions that cover the four areas of:
- The Governing Body and School Staff
 - Setting the Budget
 - Value for Money
 - Protecting Public Money
- 17.6.4 The Governing Body should formally discuss these questions on an annual basis with the Headteacher and Senior Staff. Although the Governing Body may delegate the consideration of questions to a Finance or other relevant Committee, a detailed report must be provided to the full Governing Body and the Chair of Governors must sign the completed form. The Local Authority auditor, Veritau, is to receive a copy of the signed form by the 31st March each year so that when they conduct a school audit they can check that the self-assessment is in line with their own judgement.
- 17.6.5 The following Appendices relate to the SFVS:
- 4 The 23 questions of the Schools Financial Value Standard
 - 5 Skills analysis matrix for the financial management skills needed by the governing body
- 17.6.6 Further information and resources can be found at:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/Schools%20Financial%20Value%20Standard>

<http://cyps.northyorks.gov.uk/index.aspx?articleid=16296> (for FMS subscribers only)

Proforma of Business Interests

Proforma Register of Business Interests

Name of Governor or Member of Staff

Name of Business	Nature of Business	Nature of Interest	Date of Appointment or Acquisition	Date of Cessation of Interest	Date of Entry

I certify that I have declared all beneficial interests which I or any person closely connected with me have with businesses or other organisations which may have dealings with the school.

Signed..... Date.....

Reviewed

Signed..... Date.....

Signed..... Date.....

Signed..... Date.....

NORTH YORKSHIRE COUNTY COUNCIL
GIFTS AND HOSPITALITY PROTOCOL FOR SCHOOL EMPLOYEES

1.0 Background

- 1.1 School employees may from time to time, in the course of their work, encounter situations where individuals or organisations may offer gifts or hospitality. The reasons for this will vary, but such offers will usually be made as goodwill gestures, or for celebration, or appreciation, or for helping networking or working together. Some employees, e.g. members of the senior management team who liaise with public and private sector partners, may find themselves quite often faced with hospitality opportunities, and teachers and teaching assistants, who engage directly with pupils and their parents, may be offered gifts in thanks for their services.
- 1.2 There are, however, rules which regulate the acceptance of gifts and hospitality by school employees. This is because the acceptance of benefits offered like this can affect the perception of whether the County Council and its employees are acting in the public interest. Local councils are in a position of significant influence over issues that affect people's lives within their areas. The Council holds the public purse and all employees, as well as Members of the Council and school Governing Bodies, must always be seen to be acting in the best interests of the people of North Yorkshire. It is important not to do anything which undermines public trust in what they are doing.
- 1.3 Whilst most offers of gifts and hospitality are well meant and innocent, there have been, nationally, instances of benefits being offered and accepted for corrupt purposes to secure improper advantage. Whilst this is exceptional and rarely occurs, it is damaging to public confidence in local government, damaging to the reputation of the authority concerned, and it is unlawful. Even in situations where there are no improper motives, the acceptance of lavish gifts and hospitality can have a negative effect in terms of public perception. Council employees must be very clear about the rules which apply to gifts and hospitality and must always bear in mind how the public might view situations where gifts and hospitality are offered and received. Any offer should be treated with great care.
- 1.4 This Protocol aims to help employees deal with situations where they are faced with offers of gifts and hospitality. If any employee is in doubt, further advice can be sought from the Headteacher, Legal Services or Veritau.

2.0 What is meant by Gifts and Hospitality?

- 2.1 Gifts and hospitality may include:
- a gift of money, vouchers, goods or services;
 - the opportunity to acquire goods and services freely or at a discount or at terms not available to other members of the public;
 - the offer of food, drink, accommodation or entertainment freely provided or heavily discounted, or the opportunity to attend any cultural or sporting event on terms not available to the public;
 - a bequest or legacy.

3.0 The Legal Framework

- 3.1 There are several legal constraints. Firstly, it is an offence for a local authority employee (including those that work in schools) to accept any "fee or reward whatsoever other than his proper remuneration" (Section 117 LGA 1972).
- 3.2 Previously, it was also an offence for any employee to corruptly solicit, receive or agree to receive or give for him/herself or any other person, any gift, loan, fee, reward or advantage as an inducement to, or reward for, or otherwise on account of:

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- doing or refraining from doing anything in their employment capacity; or
- showing favour or disfavour to any person in their employment capacity;

and any money, gift or other consideration received by a Council employee, in their official capacity, from someone seeking to obtain a contract with the Council was deemed in law to have been received corruptly unless the contrary was proved. (Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Acts 1906 and 1916).

3.3 A revised legal framework to deal with bribery was introduced in The Bribery Act 2010 (“the Act”), which came into force on 1 July 2011 and introduced new bribery offences, the key parts of which are set out below. The Act repeals the previous bribery and corruption laws mentioned above, although does not affect any on-going matters under that legislation which predate the commencement of the Act.

3.4 The main offences under the Act are:

- **bribing another person** (section 1). A person commits an offence under this section where s/he offers, promises or gives a financial or other advantage to another person, and intends the advantage to induce a person to perform improperly a relevant function or activity (which includes any activity performed in the course of a person's employment), or to reward a person for the improper performance of such a function or activity;
- **being bribed** (section 2). This section provides several cases in which an offence of being bribed may be committed, relating to a person committing an offence where s/he requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly or as a reward for improper performance (whether by him/her or another person);
- **bribing a foreign official** (section 6). A person commits an offence under this section where s/he offers, promises or gives a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his/her official functions and intends to obtain or retain business or an advantage in the conduct of business.
- **failure of commercial organisations to prevent bribery** (section 7). A relevant commercial organisation is guilty of an offence under this section if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for that organisation. It is a defence for the organisation to prove that it had in place adequate procedures designed to prevent persons associated with it from undertaking such conduct.

3.5 The maximum penalties under the Act are 10 years' imprisonment/unlimited fine for individuals and an unlimited fine for organisations.

3.6 Anyone committing offences of this nature will also be subject to disciplinary action.

3.7 Government guidance on the Act confirms that “*The Government does not intend that genuine hospitality or similar business expenditure that is reasonable and proportionate be caught by the Act, so you can continue to provide bona fide hospitality, promotional or other business expenditure. In any case where it was thought the hospitality was really a cover for bribing someone, the authorities would look at such things as the level of hospitality offered, the way in which it was provided and the level of influence the person receiving it had on the business decision in question. But, as a general proposition, hospitality or promotional expenditure which is proportionate and reasonable given the sort of business you do is very unlikely to engage the Act....*”

4.0 Employees' Code of Conduct:

4.1 Apart from the legal rules, school employees are bound by their contract of employment to comply with the Council's **Code of Conduct for School Based Employees**. These

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specifically provide that with the exception of the minor items referred to at paragraph 4.3 below, all benefits such as accommodation, travel, entertainment, presents, gifts or bequests should be refused. If they are accepted disciplinary action may be taken. Gifts received through the post should be returned to the sender with an appropriately worded letter.

- 4.2 **Gifts and Bequests:** School employees must always inform their manager of any offer of gifts or bequests received during the course of their employment. They should also complete a form of registration of gifts and hospitality which is signed also by their manager and retained appropriately within the school's Register of Gifts and Hospitality. Employees should also register gifts, hospitality and benefits offered but refused as a matter of good practice (please see paragraph 8.1 below for further details). Headteachers should also ensure that parents are aware that there is no expectation or obligation on them to offer gifts of any kind.
- 4.3 There are exceptions in relation to minor items such as occasional small gifts from parents and pupils (e.g. chocolates, plants, flowers) and diaries, calendars, blotters or other items of low value. This would include items with a monetary value of no more than £10, and on a single occasion only. Any repeated offer should be declined. Offers and receipt must nevertheless be notified to and recorded by the Headteacher. Under no circumstances should offers/gifts of money (of whatever amount) be accepted.
- 4.4 Employees may occasionally receive bequests or legacies in wills. This can reflect the genuine wish of a parent or pupil to register their thanks to someone who has looked after them, and the employee involved may be entirely unaware that the deceased intended to make the bequest. However kindly meant, such gestures can be open to misinterpretation and because of that the Council will not allow bequests to be retained by employees. Any bequest made to employees must be politely refused and returned to the Executor of the will, making it clear that the Council's rules do not allow the acceptance of bequests by employees. Disciplinary action, including the possibility of dismissal, may be taken by the Governing Body if a bequest is accepted in these circumstances.
- 4.5 **Hospitality:** The Code of Conduct for School Based Employees also regulates the acceptance of hospitality. There are sometimes occasions where it is in order to accept hospitality, but only if there is a genuine benefit to the school which would not otherwise be available. Examples are given below. Invitations to attend purely social or sporting functions should be accepted only when these are part of the life of the community served or where the school should be seen to be represented. Attendance must be properly authorised and recorded by the Headteacher, or by the Chair of the Governing Body in the case of a Headteacher. When hospitality has been declined those making the offer should be courteously but firmly informed of the procedures and standards operating within the school.
- 4.6 When considering whether it is appropriate to accept hospitality employees and their managers should be particularly sensitive as to its timing having regard to any decisions the school may be taking affecting those providing it.
- 4.7 Acceptance of hospitality at conferences and courses or events is acceptable where it is clear that the hospitality is corporate rather than personal, where it is authorised and where any contracting decisions are not compromised. Where hospitality is offered in connection with visits to inspect facilities for potential school trips or equipment etc, employees should ensure that the school meets the cost of the visit to avoid compromising the integrity of subsequent decisions on the contract. More examples in relation to hospitality are set out below.
- 4.8 **Sponsorship – Giving and Receiving:** Where an outside organisation wishes to sponsor a school activity, whether by invitation, tender negotiation or voluntarily, the above conventions concerning acceptance of gifts or hospitality apply. Again, care must be taken when dealing with contractors or potential contractors.
- 4.9 Where the school wishes to sponsor an event or service, employees, their partners, relatives or other close associates must not benefit from such sponsorship in a direct way without there being full disclosure to the appropriate Headteacher of any such interest. Similarly where the school, through sponsorship, grant aid, or finance by other means, gives support in the community, employees must ensure that impartial advice is given and that they have no conflict of interest in the matter.

5.0 What does it mean in practice? – A summary of some general principles and examples.

5.1 These are some practical points which should help employees and Headteachers deal with offers of gifts or hospitality:

a) Never accept a gift (other than the minor items referred to at 4.3 above).

Acceptance of a gift is very unlikely to confer any advantage on the school. A presumption would arise that acceptance is purely for an employee's personal benefit. There are very few exceptions to this - some minor ones are set out below at paragraph 6.0.

b) Never accept hospitality as an inducement or reward for anything you do as a school employee. Hospitality should not be accepted unless there is commensurate benefit to the school.

The only proper reason for accepting any hospitality is that there is a benefit for the school which would not otherwise be available. An example is an opportunity to progress the business of the school expeditiously through a working lunch, or to canvas or promote the interests of the school and its area at a meeting where there is incidental hospitality. Similarly, organisers of school trips may be offered "taster trips" to review the facilities at hotels and ski resorts abroad at the expense of specialist tour companies. The acceptance of such offers is inappropriate and, if review visits are required, they should only be undertaken at the expense of the school.

School employees must act in the public interest and must not be swayed in the discharge of their duties by the offer, prospect of an offer, or the non-offer of any inducement or reward for discharging those duties in a particular manner. If an employee has any suspicion that the motive is an inducement or reward s/he should *decline*.

c) Never accept if acceptance might be open to misinterpretation.

The appearance of impropriety can be just as damaging to the school and to the employee as actual impropriety. The school's ability to function rests upon its reputation for acting fairly and in the public interest.

Employees must therefore consider whether the acceptance of the hospitality is capable of being interpreted as a sign that the school favours any particular person, company or section of the community, or is placing the employee under any improper obligation to any person or organisation.

Certain occasions are particularly sensitive and require the avoidance of any opportunity for misunderstanding. These include:

- when the school is conducting a competitive procurement process, in respect of any indication of favour towards particular tenderer(s);
- when the school is engaged in legal proceedings, hospitality from other parties to the proceedings would be inappropriate.

d) Do not accept hospitality which puts you under an improper obligation.

Recognise that some commercial organisations and private individuals see the provision of gifts and hospitality as a means of buying influence. If an employee accepts improperly, it is possible that they may seek to use this to persuade him/her to determine an issue in their favour.

e) Do not solicit a gift or hospitality.

Employees must never solicit or invite an offer of a gift or hospitality in connection with their position as a school employee. Also, employees should take care to avoid giving any impression that they might be open to any such improper offers.

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f) Some other situations to avoid:

- hospitality in situations where the employee would be the sole guest;
- hospitality of significant value.

6.0 Gifts and Hospitality which it is appropriate to accept

6.1 There are some circumstances where it is in order to accept hospitality, though some situations will nevertheless require the exercise of careful judgment.

- a) Official hospitality such as a civic reception or a working/business lunch in school or Council owned premises (provided it is ancillary to the business being conducted).
- b) Civil hospitality provided by another school or public authority.
- c) Refreshments in connection with any meeting in the course of an employee's work as a school employee.
- d) Meals or refreshments funded by other public sector partners as the part of joint working/collaboration, and provided it is ancillary to the business being conducted.
- e) Meals or refreshments being provided as part of a ceremony or event to promote or launch a project or initiative.
- f) Meals or refreshments provided at design/progress meetings, by a consultant, contractor or adviser who is already appointed by the school for that project, scheme or initiative (provided it is ancillary to the business being conducted).
- g) Gifts given to the *school* which an employee accepts formally on the school's behalf and which are retained by the school but not by the employee personally e.g. a commemorative item.
- h) Gifts given as prizes at exhibitions, conferences, seminars etc as part of a free raffle or draw.
- i) Gifts known to be available to all employees e.g. badges etc.
- j) Hospitality known to be available to all employees.
- k) Hospitality ancillary to the school's business being conducted such as an overnight stay for an away day with a partner organisation of the school.
- l) Hospitality ancillary to attendance at conferences, seminars and courses where hospitality is corporate rather than personal.
- m) Hospitality ancillary to attendance at functions where an employee represents the school e.g. ceremonies, public speaking events, conferences where hospitality is ancillary.

7.0 Reporting of inappropriate gifts and hospitality offered

7.1 As stated above, it is a criminal offence for a person to offer, promise or give a financial or other advantage as an inducement or reward for an employee improperly to do or not do something in their employment. School employees must immediately report to their Headteacher any circumstances where inappropriate gifts or hospitality have been offered to them. The employee may then be required to assist the police in providing evidence.

8.0 Procedure for registration of gifts and hospitality

8.1 Before accepting hospitality or other benefit employees must seek approval from their Headteacher, complete a registration form setting out the reasons for acceptance, or the fact

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that it has been declined, have the form signed by their Headteacher and recorded in the school's Register. Employees should register gifts, hospitality and benefits offered but refused as a matter of good practice.

9.0 The Register of Gifts and Hospitality

9.1 Schools keep a Register of Gifts and Hospitality for their employees. A form that may be used is shown at Appendix 3 to this Protocol.

9.2 The Registers are not available to the public.

9.3 The Register is additionally open to inspection by the following:

- The Chief Internal Auditor;
- The Assistant Chief Executive (Human Resources and Development);
- The Council's external auditor;
- Any other party with a legal entitlement to inspect it.

10.0 Conclusion

10.1 Should school employees have any queries relating to the acceptance and registration of gifts and hospitality, please contact Legal Services (01609 532347 or legal.services@northyorks.gov.uk) or Veritau (01609 532739 or internal.audit@veritau.co.uk).

Register of Gifts and Hospitality Received

School Name.....

REGISTER OF GIFTS AND HOSPITALITY RECEIVED

Date 1	Received From 2	Gift/Hospitality Received 3	Use of Gift 4	Estimated Value of Gift/Hospitality 5	Signed 6

Key

- 1. Date gift/hospitality accepted
- 2. Name of person/company supplying gift/hospitality
- 3. Details of gift/hospitality received
- 4. Use of gift, e.g. shared with
- 5. Estimated value of gift/hospitality
- 6. Signature of member of Governing Body or staff

Schools Financial Value Standard

The 23 Questions of the Schools Financial Value Standard

Q1	In the view of the governing body itself and of senior staff, does the governing body have adequate financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money?
Q2	Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?
Q3	Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?
Q4	Does the governing body receive clear and concise monitoring reports of the school's budget position at least three times a year?
Q5	Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?
Q6	Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, eg on sick leave?
Q7	Does the school review its staffing structure regularly?
Q8	Is there a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment?
Q9	Does the school make a forward projection of budget, including both revenue and capital funds, for at least three years, using the best available information?
Q10	Does the school set a well-informed and balanced budget each year (with an agreed and times plan for eliminating any deficit)?
Q11	Is end year outturn in line with budget projections, or if not, is the governing body alerted to significant variations in a timely manner, and do they result from explicitly planned changes or from genuinely unforeseeable circumstances?
Q12	Does the school benchmark its income and expenditure annually against that of similar schools and investigate further where any category appears to be out of line?
Q13	Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?
Q14	Are balances at a reasonable level and does the school have a clear plan for using the money it plans to hold in balances at the end of each year?
Q15	Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?
Q16	Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money?
Q17	Can the school give examples of where it has improved the use of resources during the past year?
Q18	Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body?
Q19	Are there adequate arrangements in place to guard against fraud or theft by staff, contractors and suppliers (please note any instance of fraud or theft detected in the last 12 months)?
Q20	Are all staff aware of the school's whistleblowing policy and to whom they should report concerns?
Q21	Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the annual Consistent Financial Reporting return?
Q22	Does the school have adequate arrangements for audit of voluntary funds?
Q23	Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?

Skills analysis matrix for the financial management skills needed by the governing body

Introduction

This matrix summarises the financial management skills that best practice determines should be available within the governing body. This matrix has been designed as a practical document which can be used by schools at different levels:

- by individuals who wish to identify their personal training and development needs
- by governing bodies, or their finance committees where applicable, to ascertain their collective financial management skills

Experience shows that for most schools only small numbers of governors will initially be at levels 1 and 2.

The purpose of the matrix is to determine the relative financial management skills available within the governing body. This needs to be related to the way that the governing body deals with financial management issues and so not all governors will need the highest levels of financial management competence. Typically, for a school:

- with a finance committee – the committee members and the chair of the governing body would be the most appropriate governors to complete the matrix.
- without a finance committee – the chair of governors, any governor specifically tasked with finance issues and those governors who possess financial management skills should complete the matrix.

How to use the matrix

First, the grid should be tailored to the individual school's governing body financial management requirements to identify who within the governing body should have key financial skills and fill in their details at the top of the grid. The **key** financial management competency is in bold (e.g. the first is "provides strategic leadership"), and examples of the characteristics that demonstrate this competency are provided beneath it.

Second, for each governor identified use the ratings (which are explained below) to identify the level at which the person has the relevant competencies, referring to the key indicators and typical examples.

Third, on completion, analyse the results to ensure the skills, knowledge and attitudes are spread across governors in the most appropriate way, i.e. there is no over or under concentration of competencies with one specific governor.

Schools Financial Value Standard

A key point is that not all governors need all these skills, but collectively the governing body (and finance committee, if it exists) will ideally have these skills between them.

RATING SYSTEM			
1	2	3	4
HIGHLY COMPETENT	COMPETENT	DEVELOPING	NOT YET DEVELOPED
<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have significant practical experience • this is something that you undertake on a regular basis • this is a personal characteristic or style that you demonstrate all of the time • there is a regular programme of activities to maintain technical competence. 	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have some practical experience • this is something that you undertake on an infrequent basis • this is a personal characteristic or style that you demonstrate most of the time • there is a regular programme of activities to maintain technical competence. 	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have little practical experience • this is something that you rarely undertake • this is a personal characteristic or style that you demonstrate some of the time • there is a programme of activities to develop the technical competence in this area. 	<p>Where relevant to the competency or example, the following apply to the individual concerned:</p> <ul style="list-style-type: none"> • this is an area in which you have no practical experience • this is something that you have never undertaken • this is a personal characteristic or style that you rarely demonstrate • there is no programme of activities to develop the technical competence in this area.

Schools Financial Value Standard

	Governors with financial management responsibilities		
	Chair of Governing Body	Chair of Finance Committee	Governor with finance role
(1) PROVIDES STRATEGIC LEADERSHIP			
<p>Leads the development of strategic plans:</p> <ul style="list-style-type: none"> • Has strategic knowledge and understanding of school priorities, aims and objectives • Able to articulate strategic priorities, financial implications and objectives clearly • Delegates tasks to head teacher and promotes team working between governors and all staff 			
<p>Able to identify viable options most likely to achieve the school's goals and objectives:</p> <ul style="list-style-type: none"> • Will take difficult but necessary decisions • Able to analyse information provided by staff in a useful way • Is open to new ideas, consults and willing to work in partnership with stakeholders • Knows how to review the results of techniques for assessing significant school matters 			
<p>Has a clear understanding of best financial management practices and school performance:</p> <ul style="list-style-type: none"> • Has knowledge of the current financial performance and the school's internal control processes • Co-operates with external inspectors/auditors and reviews action on their findings 			

Schools Financial Value Standard

	Governors with financial management responsibilities		
	Chair of Governing Body	Chair of Finance Committee	Governor with finance role
(2) ENSURES ACCOUNTABILITY			
<p>Understands the school’s statutory financial management requirements:</p> <ul style="list-style-type: none"> • Understands the legal financial framework in which the school needs to operate • Has knowledge of the school’s funding arrangements • Has knowledge of information that can be requested by local authorities (for maintained schools) and the DfE 			
<p>Understands budget setting and budget monitoring:</p> <ul style="list-style-type: none"> • Understanding of finance and budgeting • Has numeric and analytical skills • Able to interpret budget monitoring information and communicate this to interested parties • Understands that appropriate resource allocation can affect pupil outcomes 			
<p>Understands the importance of communicating the school’s performance to stakeholders:</p> <ul style="list-style-type: none"> • Knows the procedural requirements and timescales and checks they are followed • Understands the monitoring returns for the DfE and local authority (for maintained schools) • Is open and diplomatic when communicating with stakeholders e.g. parents 			

Schools Financial Value Standard

	Governors with financial management responsibilities		
	Chair of Governing Body	Chair of Finance Committee	Governor with finance role
(3) ACTS AS A CRITICAL FRIEND			
<p>Has a commitment to the school and the work of the governing body:</p> <ul style="list-style-type: none"> • Declares personal or pecuniary interests and avoids using his/her position for personal gain • Participates in the work of the governing body by preparing for meetings, attending, contributing at meetings and taking agreed actions • Improves financial management knowledge through training, discussions with staff and reading relevant papers • Helps new governors to understand their financial management role and make a full contribution 			
<p>Presents information and views clearly and influentially to others:</p> <ul style="list-style-type: none"> • Uses analytical skills to challenge management constructively and ask probing questions • Able to influence others and build consensus using the power of argument and clear presentation of the case • Seeks to resolve misunderstanding and conflict by giving and receiving constructive feedback 			