



EAST RIDING
OF YORKSHIRE COUNCIL

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INDUCTION INFORMATION FOR NEW GOVERNORS

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INTRODUCTION

This induction pack is offered as a point of reference during your early days as a governor. It is not meant to be ploughed through from beginning to end, nor will it answer in depth all the questions you may have. It is intended to be a 'pick 'n' mix' package that complements the Department for Schools, Children and Families (DSCF) own publication '*A Guide to the Law for School Governors*' a copy of which should be available for you in your school.

Why do schools have governors?

Although there have been school governors for almost 600 years, it was the 1986 and 1988 Education Acts that shaped governing bodies as they exist today. These Acts gave governing bodies many powers and areas of responsibility, whilst developing a close partnership between the governors and the school.

This partnership will work effectively if both 'parties' respect the responsibilities, skills and experience of the other:

- Professionals in education need to accept that the perspective of the public who care about education is just as important as their own; and
- Governors need to be clear about their role, not interfering in the every-day running of the school which is the Headteacher's responsibility but rather contributing and becoming involved in the policy making of the school.

As a governor, you are a representative of the public in your school, bringing skills, experience, expertise and every-day common sense to decision-making.

Many governors live in the community and see the school as others see it. It is recognised that governors are well placed to be supportive and a good ambassador for the school, a role that depends on understanding and shared ownership of policies. At the same time, governors should have a real concern for the ways in which the school helps all its pupils achieve the best they can. As a governor you will become a messenger for the community – explaining, praising, defending, questioning, warning and guiding.

There is no doubt that your task will be challenging, time consuming, energy and patience consuming. However, with the continued help and guidance of your fellow governors, your Headteacher and the staff of your school, together with the support of the East Riding of Yorkshire Local Education Authority (LEA), it is hoped that you find the work rewarding and a worthwhile experience. Such an experience will not only benefit yourself, your school and its staff, but, of most importance – and the reason for it all – the pupils.

An effective governing body will be sustained by the enthusiasm it shares for children's learning and achievement and the mutual respect of people engaged in such an important and worthwhile task.

LEARNING ABOUT YOUR SCHOOL

It will be helpful to establish a profile of your school through a combination of:

- Important day-to-day information; and
- Access to and possession of certain key documents.

Important Information

Try to complete the following during meetings and/or discussions you have with your Headteacher and fellow governors. Questions marked with an * are clearly more open and you may wish to regard them as 'other issues to find out about'.

Full name of your school:

Type of school:

Age range of pupils:

Number on roll:

Current teaching staff: Headteacher + teachers

Current support staff :

Details of your school's catchment or intake area:

Number of pupils eligible for free school meals:

Number of children for whom a statement of Special Educational Needs (SEN) has been completed:

***How does your school's performance in public tests and examinations compare with:**

- Other schools nationally?**
- Other similar schools?**

***Destination of pupils at the end of their time in your school:**

The size of your school's annual budget: £

***Ways in which your school links with its parents:**

***Ways in which your school links with the local community:**

Key Documents

The following list of key documents should be available in the school. Some are ‘one-off’ documents so you may not be able to take them away to look at. Those marked with an * should be made available for you to have for future reference. By referring to this range, you will get to know quite a lot about your school.

The list is by no means exhaustive; you could also refer to minutes of past meetings or look at any newspaper articles about your school.

Document:	Purpose:	Other points:
The school’s Instrument of Government	This document outlines the governing body’s composition.	You must by law receive a copy of this.
* The School Profile	This document is available on-line for parents (paper copy available on request) and gives information on the school's performance, actions following OfSTED and what the school is doing with parents and the community	A legal requirement to be annually. This is completed on-line and some data is pre-populated by the DSCF
*The School Prospectus	Provides detailed information and statistics about a wide range of school matters. The range of information is specified by law, but the school may add more to give a more rounded picture of the school.	A legal requirement. Schools must produce this report for prospective parents.
*The School Improvement Plan	This is the school’s essential planning tool and indicates the steps the school intends to take during the year to bring about improvement in a range of areas.	Each school should have one and governors should be involved in shaping and adopting it.
*The latest Headteacher’s report to the governing body	<p>This is the key document for keeping governors up-to-date including:</p> <ul style="list-style-type: none"> • Progress towards fulfilling the School Improvement Plan • An analysis of pupil achievements • Providing a window on the school and an opportunity for the governors to clarify and discuss important issues • Enabling governors to monitor the work of the school and fulfil legal duties 	Headteachers in almost all cases will report to governors each term or at each meeting. The report should be sent to you with the meeting agenda to allow you to prepare for the meeting.

*The school's most recent OFSTED inspection report and subsequent Action Plan	Such a report provides a very detailed snapshot of the school from an external perspective. You will need to know your school well to be able to respond properly to such a report.	Most schools are inspected on a 4 -6 yearly cycle and the report provides a useful judgement on the effectiveness of the school and the steps it should take to bring about further improvement.
*The School's 'Home-School' Agreement	<p>This is another legally required document and it will explain:</p> <ul style="list-style-type: none"> • The aims and values of your school • The responsibilities of the school • The responsibilities of the parents • The school's expectations of its pupils. 	This document was introduced for the first time in September 1999 and it is intended to foster better communications and understanding between home and school. All parents should have been consulted about its content, although it is not legally binding on parents to sign it.
The school's staffing structure	This provides governors with information about the way in which the teaching and support staff of the school are deployed.	This is an area where governors have important responsibilities.
School Policy Documents	<p>These should ensure that proper procedures are in place to manage particular issues. The following are legal requirements:</p> <ul style="list-style-type: none"> • Sex education • Curriculum • Charging • Special educational needs • Pay • Staff discipline • Pupil discipline • A site-specific health and safety policy 	
*Calendar of important dates within the school year	This provides a useful picture of the year's activities and identifies those activities that governors can support through their own attendance.	Such lists can be quite extensive and some governing bodies agree to 'share' the attendance workload.
*A plan of the school	This is particularly helpful if you are visiting the school.	The bigger the school, the more complex the plan.
The governing body's structure and terms of reference	See next section	

In discussions with your Headteacher and fellow governors, which other documents do you think would be helpful to you?

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LEARNING ABOUT YOUR GOVERNING BODY

At the level of the school, it is the governing body that is ultimately responsible for the school's performance. So the governing body is accountable to its partners, not only for its own decisions and actions but for all that happens at the school.

This section looks at how your governing body is organised, who is on it, who they represent and which responsibilities they hold. Governing bodies vary in size according to the size of the school but all have the same range of roles and responsibilities. These are outlined on page 10. Your Headteacher can choose to be a full voting member of your governing body or not.

In order to ensure that governing bodies are representative, their membership comprises governors representing the following main categories:

- a. **Parent governors** are elected by the parents of registered pupils at the school. They should be people with parental responsibility for pupils currently at the school at the time of the election. They are entitled to serve out their four-year term of office even if their child leaves the school during that term of office.
- b. **Staff governors** are elected by and from among the teaching staff and non-teaching at the school. Staff governors may not continue to be governors if they cease to be employed by the school during that term of office. A staff governor cannot become Chair or Vice Chair of the governing body or any of its committees.
- c. **Local Education Authority governors** are appointed by the local education authority that maintains the school. It remains open to authorities to fill these posts to reflect the local political balance, but they are not obliged to do so. LEA governors, as all others, should primarily be appointed with a view to their commitment to raise standards at the school concerned. Local authorities must appoint the appropriate number of governors to each governing body.
- d. **Community governors** are appointed by members of the governing body who are not themselves co-opted. They are intended to enable the governing body to add specific areas of expertise to the governing body.

If your school is a *voluntary aided, voluntary controlled or foundation* school, then the body named in the Instrument appoints **foundation governors**. They are appointed to preserve and develop the religious character of the school, if it has religious character, and to secure compliance with the trust deed.

A few schools appoint a **sponsorship governor** who gives financial assistance to the school.

Your Governing Body

What is the composition of your governing body:

Number of Parent governors:	Number of Staff governors:	Number of LEA governors:	Number of Community governors:	Number of Foundation governors:
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Who is your Chair of Governors?

Who is your Vice Chair?

What committees does your Governing Body have and who chairs them?

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Which of these have ‘delegated powers’?

Most governing bodies ‘elect’ certain governors to hold a particular brief. Which governors hold the following responsibilities?

- **Special Educational Needs (SEN) governor:**
- **Training link governor:**
- **Literacy governor:**
- **Numeracy governor:**
- **Information and Communication Technology (ICT) governor:**

Does your governing body have any other ‘link’ governors? If so, who are they?

Many governing bodies have an arrangement by which individual governors are ‘attached’ to classes, year groups or subjects so that when they visit, there is a focus group that they can observe.

What arrangement does your governing body adopt?

All governing bodies have someone who acts as **Clerk**. For most schools, this is someone from the L.E.A. working through a ‘service level agreement’ (SLA) with the school. Those schools who do not have such an agreement appoint their own Clerk. Governors are not permitted to Clerk full governing body meetings.

Who is the Support Officer for your governing body?

What is their contact number?

ROLES AND RESPONSIBILITIES OF THE GOVERNING BODY

As members of a governing body, you have three key *roles* to undertake and the collective *responsibility* for a number of key areas within the school. These are explained in some detail in the DCSF's 'Guide to the Law' folder. Briefly, the three *key roles* are:

1. To provide a strategic view.

The governing body has important powers and duties but limited time and resources, so it should focus on where it can add most value – that is, in helping to decide the school's strategy for improvement so that its pupils learn most effectively and achieve the highest standards. The governing body should help set, and keep under review, the broad framework within which the Headteacher and staff should run the school. In all its work, the governing body should focus on the key issues of raising standards of achievement, establishing high expectations and promoting effective teaching and learning.

2. To act as critical friend.

The governing body also provides the Headteacher and staff with support, advice and information, drawing on its members' knowledge and experience. In these ways the governing body acts as a critical friend to the school. Critical in the sense of its responsibility for monitoring and evaluating the school's effectiveness, asking challenging questions and pressing for improvement. A friend because it exists to promote the interests of the school and its pupils and staff.

3. To ensure accountability.

The governing body is responsible for ensuring good quality education in the school. The Headteacher and staff report to the governing body on the school's performance. It is not the role of governors simply to rubber stamp every decision of the Headteacher.

The governing body has a right to discuss, question and refine proposals – while always respecting the professional roles of the Headteacher and other staff, and their responsibilities for the management of the school. In turn, the governing body answers for its actions, above all to parents and the wider local community for the school's overall performance.

In addition, the governing body has the following *key responsibilities*:

Decide, with the Headteacher and LEA if appropriate, the aims and policies of the school, and how the standards of education can be improved.

In doing this, the governing body:

- helps to ensure that the school is managed and run on a day-to-day basis under a set of 'guiding principles';
- promotes the concept that standards are always capable of being improved.

Help to determine the conduct of the school.

In doing this, the governing body:

- helps to establish the atmosphere and ethos of the school;
- helps to set and monitor the school's over-riding aims and the principles guiding its management;
- secures the provision of daily collective worship;
- establishes appropriate contact with parents.

Help to draw up, with the Headteacher and staff, the school's annual improvement plan.

In doing this the governing body asks:

- where are we now?
- where do we want to be?
- how can we get from where we are to where we want to be?
- what are the key priorities?
- have we got the resources to do it?
- who is responsible for doing what, and by when?
- how will we know if we have achieved our goals?

Help to draw up, with the Headteacher and staff, the school's curriculum policy and ensure that the National Curriculum and religious education are taught.

With this, the governing body:

- has a clear role, in consultation with the Headteacher and staff, in shaping the curriculum within the parameters set by the National Curriculum and the LEA curriculum statement;
- publishes a curriculum statement including its policy on sex education;
- must ensure that there is adequate provision for RE in line with the locally agreed syllabus for RE or, for church schools, in accordance with local diocesan guidelines.

Help the school to maintain an orderly and disciplined atmosphere.

With this, the governing body:

- decides on the general principles which form the basis of the discipline of the school;
- helps and supports the Headteacher and staff in maintaining high standards of discipline;
- becomes involved in the process of exclusion procedures where this becomes necessary.

Decide (taking account of the Fair Funding Scheme for financing schools and any powers they may pass to the Headteacher how to spend the school's budget.

With this, the governing body:

- determines overall how the school budget is spent, noting any priorities set in the development plan;
- monitors how the budget is being spent.

Prepare and publish appropriate reports.

Here, the governing body:

- reports to parents on National Curriculum assessment and examination results;
- prepares and publishes a school profile;
- makes the non-confidential agendas and minutes of governing body meetings available to parents;
- keeps parents informed.

Respond to the outcomes of an OFSTED inspection.

Following an OFSTED inspection, the governing body:

- publishes to parents a summary of the report;
- makes a full copy of the report available to parents;
- prepares and publishes an action plan to meet the key issues in the report;

- monitors how the plan is put into practice;
- reports to parents on an annual basis what progress is being made with the action plan.

Have oversight of the admission of pupils to the school.

Here, the governing body:

- responds to consultations by the LEA on admission criteria and on the published admission number (PAN).

Appoint the Headteacher and Deputy Headteacher when the vacancy emerges.

Here, the governing body:

- advertises the vacancy nationally;
- carries out an effective recruitment and selection process.

Appoint, promote, support and discipline other staff in consultation with the Headteacher.

Here, the governing body:

- sets the staffing establishment for the school of teaching and non-teaching staff;
- is responsible for the recruitment and selection of staff dependent upon the level of delegation, in accordance with the School Staffing (England) Regulations 2003;
- is involved, where appropriate, with procedures for discipline and capability, including the dismissal of staff;
- is responsible for setting and annually reviewing the salaries of the Headteacher, deputy and all teachers, following the school's salary policy.

Have oversight of the school premises.

Here, the governing body:

- reports to the LEA on the adequacy, state and condition of the school premises;
- has control of the premises at all times other than during the school day.

Protect the health and safety of staff and pupils.

Here, the governing body:

- has its own health and safety policy for the school;
- ensures periodic inspections of the premises and reviews reports arising from safety inspections.

Many of the above responsibilities are of a statutory nature and are usually codified in policy statements that the governing body needs to keep under review. A summary of these responsibilities is included in the 'Guide to the Law'.

MEETINGS OF YOUR GOVERNING BODY

Where does the agenda come from?

Responsibility for making up the agenda lies with the Chair and the Clerk. Clearly, your Headteacher will have an important contribution to make as well. Items for the agenda and matters that the governing body need to discuss and to come to a decision about come from a number of sources:

- all agendas will include standard items of business e.g. apologies for absence, minutes, matters arising, health and safety, etc.;
- the Headteacher's report;
- there will be a number of matters that the governing body must discuss and make decisions about each year in order to carry out their legal responsibilities. The Clerk will ensure that these appear on the agenda;
- the DCSF will send circulars and orders to all schools and most of these will require debate and action as well as providing information;
- the LEA will have a number of matters that it wishes or needs the governing body to discuss;
- there will be regular items that come from committees of the governing body that need to be discussed or decided upon;
- the head and staff may have matters to bring before the governors for their guidance, support or approval;
- individual governors, or groups of governors, may have issues or concerns that they would like the governing body to discuss. If a governor does have such a concern, (s)he should speak to the Headteacher or Chair about it first. Any item for the agenda needs to be with the Clerk at least three weeks before the meeting to ensure inclusion with proper notice being given. Parents expressing concerns to individual governors should be encouraged to approach the Headteacher themselves rather than the governor raise the matter during the meeting;
- church schools may have a request from the denominational authority for a matter to be considered by the governing body;
- during the meeting, issues will arise that may give rise to concerns that need further consideration or discussion. These are sometimes dealt with by the whole governing body or are referred to a committee.

The agenda falls into two parts. Part A is for the open part of the meeting and Part B deals with confidential matters. During Part B, observers and those implicated in the items may be asked to leave the meeting.

It will be important for you to be clear about which items are confidential as this will have an impact on the ways in which discussions and decisions are subsequently communicated.

Some governors will not be used to taking part in formal meetings. The questions below are frequently asked and you may find the responses helpful.

Can I influence decisions taken by my governing body?

- Governing bodies should work as a team taking collective decisions in the best interests of the school.
- governors have no individual *legal* powers – power and responsibility rests only in the governing body or in a committee of the governing body that has been given 'delegated' powers. However, powers of persuasion play an important part in the life of a governing body.

How many meetings will I be expected to attend?

- Governing bodies are required to meet at least three times per year, although many meet more frequently, usually through their committee structure.
- You will be given at least seven days' notice of a meeting through receiving the agenda and supporting papers.
- Any three governors may request the Clerk to arrange a meeting, again, giving seven days notice.

Are there meeting procedures I should be aware of?

- The Chair of the governing body is usually elected at the first meeting in the autumn term for a term of office between one and four years. (S)he is empowered to take decisions on behalf of the governing body between meetings only if a matter is very urgent but s(he) must report these decisions to the full governing body. The Chair should ensure that all meetings are run efficiently with everyone playing a full part in the process.
- A certain number of governors must be present before a decision can be made – the 'quorum'. The quorum is fifty percent of the number of current governors on the governing body.
- Decisions are taken by a majority of those present with the Chair having the casting vote. Some Chairs prefer to reach agreement by consensus rather than voting.
- A record must be kept of each meeting – the minutes – and these should be signed by the Chair at the next meeting as a 'correct record'. This is where changes to the minutes can be made if governors feel they do not represent a true record of events.
- The Clerk will be responsible for taking the minutes and publishing them at the next meeting. Minutes must also be taken of informal or committee meetings where the Clerk is not present. In these situations, those governors present decide beforehand who will be responsible for taking minutes.
- All minutes of meetings (Part A only) are available for inspection at the school.
- If you feel you have a personal or financial interest in an issue, you should withdraw from that part of the meeting where the issue is discussed. The Clerk will be able to give you guidance on this matter.

Do I need to prepare for meetings?

- Preparing for meetings is important and will help make more efficient use of time.
- Papers will normally be circulated in advance of the meeting and you should set aside time to read and reflect on them before the meeting.
- If anything is not clear, contact the Chair or Headteacher to seek clarification.
- You may want to prepare questions in advance of the meeting so that you are ready to ask them at the appropriate time.

What will be the format of the meeting?

- Some governing bodies prefer to meet in formal surroundings whilst others prefer a more informal atmosphere, especially if governors know each other well.
- Some meetings may be held in the school staffroom, whilst others are in a more formal setting in the school hall or library with governors sitting around tables.
- The Chair of governors is responsible for setting the tone of the meeting and ensuring that particular procedures are followed. This should include the opportunity for everyone who wants to speak about an item to do so.

- What questions to ask, how and when, are skills that have to be acquired. These skills will be developed as you attend more meetings.

Can I raise issues at meetings?

- Some governors may try to raise major items under the heading of ‘Any Other Business’, usually the last item on the agenda, and may feel frustrated when not allowed to do so.
- If you want to raise an issue, see ‘Where does the agenda come from?’ on page 14.
- ‘Any Other Business’ should be reserved for items that are genuinely urgent and could not have been foreseen when the agenda was drawn up. Prior agreement to raise an issue under ‘AOB’ should be obtained from the Chair.
- Raising matters without warning is unfair to those with direct involvement. Prior warning enables them to obtain appropriate information so that the meeting can consider the issue fully. It also makes for a poor discussion if members have not had time to prepare and this can create inequality and tension among governors.

How can I ensure that my interests and expertise are used by the governing body?

- Firstly, your fellow governors need to know what these are!
- Offer your services to any committee or working group where you feel you can make a contribution (N.B. there are some limitations on which committees governors can serve on.)
- Take care not to give the impression that you have all the answers but that you are more willing to invest your time and energy into helping the governing body and the school address the particular issue(s) they are facing.

In conclusion, Joan Sallis, a well-known writer and supporter of school governors makes the following plea to governors:

- be interested in education generally and committed to your school in particular;
- be tolerant of others;
- be willing and able to work with others;
- be enthusiastic;
- be willing to learn;
- be willing to give some of what time you have to get involved in the life of the school;
and
- be determined to do things openly and democratically.

Some common abbreviations and their meanings:

DCSF	Department for Children Schools and Families
GCSE	General Certificate of Secondary Education
GNVQ	General National Vocational Qualification
HMCI	Her Majesty's Chief Inspector
H&S	health and safety
ICT	information and communication technology
INSET	In-service education and training
KS (1, 2, 3, & 4)	Key Stage 1, 2, 3, & 4
LEA	local education authority
LMS	local management of schools
NC	National Curriculum
NGfL	National Grid for Learning
NQT	newly qualified teacher
OFSTED	Office for Standards in Education
PANDA	performance and assessment data
PTA (or PA)	Parent Teacher Association (Parents Association)
PTR	pupil teacher ratio
RE	Religious Education
SACRE	Standing Advisory Council on Religious Education
SATs	standard assessment tasks
SEN	special educational needs
SENCO	Special Needs Co-ordinator
SLA	service level agreement

FINANCIAL INFORMATION

F1 General Information

F1.1 Sources of Reference

- Schools Formula Funding Manual
- Finance Manual of Guidance
- Scheme for Financing Schools
- Bank Account Manual for schools operating their own bank account
- The Constitution- LEA Financial Regulations and Standing orders
- Finance Newsletter to Headteachers (monthly)

F1.2 Funding Information given out before the start of the financial year (late February to early March)

In late February or early March, schools will receive a pack of information relating to their budget for the following financial year. This will include:

Appendix 1 –Pupil values and block sum values

Appendix 2- School Budget Share and Standard Fund allocations

Appendix 3 – Special Educational Needs Funding (SEN)

Appendix 4- Statement funding

Appendix 5- SEN Matrix

Appendix 6- details of Standards fund allocations

Please note: School Funding is often referred to ‘Appendix 2 Funding

F1.3 Schools Formula Funding

A knowledge of how the funding is calculated for each school is useful in making informed decisions, in formulating the budget and for predicting future years. Although there are several elements of the formula, the main areas to concentrate on are:

- Age Weighted Pupil Funding (AWPU).- Funding based on the number of pupils on the January PLASC date up to Y11. This will make up 75% plus of your budget total.
- SEN funding - How much has the school received and how is it used to benefit pupils with SEN?
- Social deprivation funding - How much has your school received and how will it be used to benefit those pupils?
- Learning and Skills Council (LSC) funding (only schools with 6th forms).- How will the number of pupils and the courses they have chosen affect the funding calculated by the LSC?.
- Standards Fund- What is included and how much of it is ring fenced or capital?

F1.4 Alternative sources of funding

School may wish to investigate external sources of funding to enhance their formula funding.

F1.5 Preparing the Budget (3 Year Plan)

Once a school has received its funding notification, it needs to decide on its budget, taking into account the priorities identified within its school improvement plan. A budget is a plan of action in monetary terms. It is a forecast of planned income and expenditure.

As part of the Schools Finance Team SLA, schools are provided with a 3-year plan spreadsheet to assist in planning the budget. The SLA also covers 2 free visits a year to aid the school in preparing the plan.

The 'consol' sheet in the 3 year plan is the summary of the annual budget by detail (ledger) code. This is used to update the budget for the school's financial ledger (FMS) and, when the plan is sent to the authority, to update the authority's ledger East Riding Financials (formerly known as masterpiece)

F1.6 Consistent Financial Reporting (CFR)

The Government introduced CFR in 2002-03. The CFR framework summarises school level financial information into consistent headings. This means that each school in each authority is recording the same type of expenditure under the same heading. One of the main reasons for introducing CFR is to allow schools to benchmark at national level.

F1.7 Approving the Budget

The budget once prepared has to be approved by the full Governing Body and sent in to the authority by 31 May as set out in the Scheme for Financing Schools. The minutes of the Committee where the budget has been discussed need to record in detail the discussions that have taken place.

F1.8 Monitoring the Budget

Monitoring the budget is the process of comparing the profiled budget to what has actually happened. Significant variances need to be investigated. Monitoring reports should be presented termly at governing body meetings to allow governors to review the budget and ask questions.

Budget monitoring is important because it identifies when things are costing more or less than originally thought and budgeted for. If an item costs more than expected, then savings in other areas need to be identified and virements actioned to move the budgets. If an item costs less, then additional expenditure can be incurred in other areas. This is an ongoing process.

The reports presented to governors should be from the authority's ledger. If the school presents its own reports, the governors need to satisfy themselves that they are happy with the content.

Capital and revenue budgets should be monitored separately.

F1.9 Revised Budgets

Schools are required to send in a revised budget (revised 3 year plan) to the authority by 31 October. This should reflect what has actually happened at this point in the year and project what is going to happen up to the end of the financial year.

F1.10 Monthly Monitoring Reports

The authority sends out monitoring reports to schools on a monthly basis. These should be checked and reconciled by the school to FMS and should be signed off by the Headteacher, preferably within the month of receipt. Reconciliation is comparing (checking) two or more pieces of data and ensuring they match. Queries should be sent to Schools Finance as soon as possible. A monthly letter is also sent out by schools finance at about the same time as the reports. The letter updates schools on current financial issues.

F1.11 Relationship between East Riding Financial (Masterpiece)/FMS/ 3 year Plan

The 3 year plan is the budget planning tool, East Riding Financials is the authority's financial ledger and official record of the schools transactions and budgets and FMS is the schools own record. Each of these should show the same budget and as one is updated so should the others.

F1.12 Forward Planning

The 3 year plan allows for forward planning. The plan is a work in progress document and as anticipated funding, costs or income change throughout the year, these need to be reflected within the plan.

The 3 year plan calculates future funding based on pupil numbers and it is advisable that schools look at different scenarios based on various changes to pupil numbers in order to be prepared should this be realised.

F1.13 Schools Carry forward Budgets. Under/ over spends

At the end of the year, the net revenue costs of each school (according to East Riding Financials) are compared to the budget available and an under (surplus) or over (deficit) spend position is calculated. If a school has under spent, this is carried forward to the next year and is added to the next year's funding. If a school has over spent this is taken off the next year's budget. Schools cannot plan to overspend and have to seek approval for setting a deficit budget, with a plan as to how they will recover the position.

Governors should consider what surplus balances will be used for. If the school is in a deficit position, the governors need to consider how it will recover the position.

F1.14 Scheme for Recycling of Excessive School Balances

This policy can be found on the intranet or a summary within the Schools Formula Funding Manual. Any school with a revenue balance over the set limit (5% secondary, all others 8%) at the year-end will have the excess taken off them. Balances can only be carried forward above these limits if the school submits a request before 31 December prior to the year-end and approval is granted.

F1.15 Revenue and Capital Expenditure- definitions

Revenue- spending on day-to-day running expenses. Expenditure that is expected to provide a benefit for only a specific accounting period.

Capital – Money spent for additions or improvements to structure or equipment. Expenditure intended to benefit future activities, usually by adding to the assets or by improving an existing asset, for more than the current period.

F1.16 Ring-fenced and non ring-fenced Funding -definitions

Ring fenced is funding given for a specific purpose and must be spent only for that purpose. Specific detail (ledger) codes are allocated for this purpose to enable budgets and expenditure to be monitored separately. I.e. devolved capital, e learning credit, school travel plans etc

Non ring-fenced funding. The majority of funding is non ring-fenced and can be spent for any purpose of the school.

F2 Financial Management Standard in Schools

Governors should be aware of the Financial Management Standard in Schools (FMSiS). Although only secondary schools have to meet the Standard by March 2007, it is likely that 40% of primary and special schools will have to meet the Standard by March 2008.

F2.1 What is the FMSiS?

The Financial Management Standard itself is a simple statement of what a school that is managed well financially would look like.

The Standard covers strategic audit and other activities that schools should already be completing. This is assessed under five headings :-

- ◆ Leadership and Governance
- ◆ People Management
- ◆ Policy and Strategy
- ◆ Partnership and Resources
- ◆ Processes

F2.2 The FMSiS Toolkit

The DfES developed a financial toolkit to assist schools in meeting the Standard. The toolkit shows:-

- ◆ Essential and desirable items
- ◆ Explains the key activities and characteristics that are required to meet the Standard
- ◆ Links the essential and desirable features of the Standard to 'good practice' summaries, that are in turn linked to detailed supporting resources.

F2.3 Self Assessment Tool

This shows the evidence that Governors and Managers would expect to see in schools to confirm compliance. There are a number of approaches that can be taken as to who completes the self assessment, either individually or jointly, but an agreed position needs to be determined and approved by governors (see G4A) Guidance on self assessment.

F2.4 External Assessment Tool

This shows the evidence that an external assessor would expect to see to support compliance with the Standard.

External assessors can be:-

- ◆ Own Local Authority Finance/Internal Audit staff
- ◆ Local third party assessors accredited by the LA
- ◆ National third party assessors.

At present the School Finance team, assisted by Internal Audit, have been chosen by the Secondary schools to undertake the external assessment.

F2.5 Timetable

All Secondary schools must demonstrate compliance with the Standard by March 2007. The DfES deadline for consultation on the timetable for all other schools ended on 6th October 2006. Schools will be notified when an announcement has been made.

F2.6 Section 151 Report

The Local Authority S151 Officer (Head of Finance) will be required to sign a declaration attached to the S52 outturn statement that relevant schools either meet the FMSiS, or are subject to appropriate action to ensure they meet the FMSiS within 12 months.

F2.7 Benchmarking

Benchmarking is a systematic process for comparing performance or processes in different organisations, in order to learn how to do things better.

Financial benchmarking can provide schools with the evidence they need to identify significant differences in resource management, which may suggest there is scope to do things better, improve efficiency, reduce costs or identify potential for savings. (See S3.6 of the toolkit)

Benchmarking is about ensuring that every pound is spent in the most effective way. It encourages schools to question their current and past spending patterns and can give reassurance if similar schools are doing similar things or can raise questions.

Section 3.2 of the Standard asks for evidence that the school has used the DfES benchmarking website to compare its performance with others, which areas have been identified for improvement and which targets have been set for their achievement. The findings need to be discussed with the school governors and reported in the minutes.

Schools are also provided with local benchmarking information within the authority.

F2.8 Controls Assurance Statement

Section 1.4 of the Standard requires a Controls Assurance Statement (CAS) that sets out the processes that are in place to ensure effective financial management of the school and its resources. Discussion of the draft CAS by the governing body, and its ultimate signature by the head teacher and key governors, demonstrates that they acknowledge responsibility for financial management of the school and take that responsibility seriously.

A specimen statement of the CAS comprising of 5 paragraphs, can be found on the website (R15A) and is designed to be brief but informative.

F2.9 Whistle Blowing Policy

Section 1.5 of the Standard requires evidence that school staff and governors are aware of the LEA Whistle-Blowing Policy. The policy is intended to encourage and enable staff to raise serious concerns within the School rather than overlooking a problem or blowing the whistle outside. It can be found on the Intranet.

F2.10 Best Value Statement

Section 4.2 of the Standard requires the school to produce a Best Value Statement. R34 of the toolkit is a 32 page Guide to Best Value in Schools and R37 is an example of the statement.

F2.11 Governing Body Minutes

The Governing Body minutes are a vital source for some of the evidence required to meet the Standard. It is important that financial discussions and decisions are minuted in some detail. Minutes are also required as evidence for any sub-Committees where discussions on financial issues have taken place.

F2.12 Register of Business Interests

Section 1.5 of the Standard requires governors and senior staff to have been given the opportunity to declare business interests (including those of close family members) and that the register is regularly reviewed and updated. The minutes of a governing body meeting should record this process.

F2.13 Further information

Further details on the FMSiS can be found in www.teachernet.gov.uk. Click on management, school funding, financial management in schools or alternatively look on the DfES value for money website. The site provides a lot of guidance and useful examples. eg

S1.2 Role of the Governing Body and its Committees

S2.2 Governing Body Financial Management Competencies and Qualifications

S5.2 Internal Financial Controls

Requires governing body to establish a charging policy and review it annually.

The Headteacher is responsible to the governing body for accounting for, and keeping accurate records on, income due and cash collected.

R3 Roles of Governing Bodies and Head Teachers

R33 A Guide to the Financial Summaries to be Reported to the Governing Body

Glossary

ERYC	East Riding of Yorkshire Council
AWPU	Age Weighted Pupil Funding
PLASC	Pupil Level Annual School Census
CFR	Consistent Financial Reporting
FMS	Financial Management System (schools own financial record)
VFM	Value for Money
IPF	Institute of Public Finance
FMSiS	Financial Management Standard in Schools
CAS	Controls Assurance Statement
SEN	Special Educational Needs
SLA	Service Level Agreement
Funding	Amount the school has to spend
Budget	What the school intends to spend
Actual	Net spend actually incurred by the school
Virement	movement of Budget between Budget headings
Journal transfer	movement of 'actual' expenditure or income from one detail (ledger) code to another.
East Riding Financials	Previously known as 'Masterpiece'. The authority's ledger. The official financial record of the school
Profiled Budget	The budget is spread across the year into the periods in which it is expected to be spent. ie monthly, quarterly, one off payments
Roles and responsibilities	
Scheme of delegation 4.2	