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.

A key point is that <u>not all</u> governors need all these skills, but <u>collectively</u> 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**
Where relevant to the competency or example, the following apply to the individual concerned: • 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.	Where relevant to the competency or example, the following apply to the individual concerned: • 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.	Where relevant to the competency or example, the following apply to the individual concerned: • 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.	Where relevant to the competency or example, the following apply to the individual concerned: • 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.

<table>
<tr><td rowspan="2"></td><td colspan="3">Governors with financial management responsibilities</td></tr>
<tr><td>Chair of Governing Body</td><td>Chair of Finance Committee</td><td>Governor with finance role</td></tr>
<tr><td>(1) PROVIDES STRATEGIC LEADERSHIP</td><td></td><td></td><td></td></tr>
<tr><td>Leads the development of strategic plans:
• 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</td><td></td><td></td><td></td></tr>
<tr><td>Able to identify viable options most likely to achieve the school's goals and objectives:
• 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</td><td></td><td></td><td></td></tr>
<tr><td>Has a clear understanding of best financial management practices and school performance:
• 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</td><td></td><td></td><td></td></tr>
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	Governors with financial management responsibilities		
	Chair of Governing Body	Chair of Finance Committee	Governor with finance role
(2) ENSURES ACCOUNTABILITY			
Understands the school's statutory financial management requirements: • 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			
Understands budget setting and budget monitoring: • 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			
Understands the importance of communicating the school's performance to stakeholders: • 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			

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<tr><td>(3) ACTS AS A CRITICAL FRIEND</td><td></td><td></td><td></td></tr>
<tr><td>Has a commitment to the school and the work of the governing body:
• 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</td><td></td><td></td><td></td></tr>
<tr><td>Presents information and views clearly and influentially to others:
• 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</td><td></td><td></td><td></td></tr>
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