

Review of the financial competency within  
Stone Bay Special School.

## Stone Bay School: Financial Value Standard. 2016 – 17.

Billy Mc Inally.

---

## A: The governing body and school staff

Standards.	Met?	Evidence.
<p>1. 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?</p>	<p>Yes.</p>	<p>Governors have significant experience of setting and managing budgets, both in the Private and Public sectors. Andrew Grieve experience in Community Transport &amp; school transport, Tony Butt securing best value in IT resources &amp; Richard Farr Chair of Finance Committee at Foxwood School 2003 - 2005, Chair of Governors at nearby Primary School 2013 - 2016 &amp; Chair of Governors 2012 - 2016 here. Headteacher has managed significant budgets £12,000,000 PA at previous independent school. This collective experience has had a significant positive impact clearing the schools six figure accrued debt.</p>
<p>2. Does the governing body have a finance committee (or equivalent) with clear terms of reference and a knowledgeable and experienced chair?</p>	<p>Yes.</p>	<p>Business Resources Committee meets 6 times a year (once a term). Details of meetings, agendas, reports and minutes can be found here: <a href="#">SBS Board of Governors</a>. Details of Governors meetings are now published on our web pages.</p> <p><a href="#">Business Resources Committee.</a></p> <p><a href="#">Calendar of meetings.</a></p>

<p>3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?</p>	<p>Yes.</p>	<p>As evidenced in our <a href="#">finance policy</a>, <a href="#">BRC terms of reference</a> and our distributed leadership across the school (appendix 1 finance policy).</p>
<p>4. Does the governing body receive clear and concise monitoring reports of the school's budget position at least three times a year?</p>	<p>Yes.</p>	<p>School Finance team reports, Headteacher and KCC finance partner, all noted in the Minutes of Business Resources Committee and discussed at full governors when required. 3 month, 6 month and 9 month monitoring is an integral part of our oversight. With monitoring reports scrutinised by BRC. BRC continues to meet 6 times a year.</p>
<p>5. Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?</p>	<p>Yes.</p>	<p>All Governors update their Business Interest forms each September (<a href="#">Minutes GB meeting</a>). The first item on all Full GB and Committee meeting agendas is Declaration of Business Interests, to allow Governors to declare any pecuniary interest which may affect their impartiality where a financial decision could be made.</p> <p>All new Governors complete a Business Interest Form with name added to the <a href="#">Governors Register of Business Interests</a>.</p>
<p>6. Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, eg on sick leave?</p>	<p>Yes.</p>	<p>Financial staff are fully qualified and attend relevant training courses regularly. In the event of long term sickness ad hoc services could be bought in from KCC central Finance if needed. Total Contribution Appraisal process in place to ensure quality of finance staffs performance in role.</p> <p>This year arrangements were made to cover maternity leave without any significant drop in the quality of financial management and probity at the school.</p>

<p>7. Does the school review its staffing structure regularly?</p>	<p>Yes.</p>	<p>As a direct result of the place plus funding formula school SLT reviews staffing structure every time there is a change to student population, (This now happens once a Month), school receives referrals and placement requests throughout the year and is proactive in managing staff ensuring we retain the capacity to run the school efficiently and effectively. Staffing issues discussed at BRC and is also reported at Full GB meetings.</p> <p>This year are in the process of closing our weekend residential provision and <a href="#">restructuring staff</a> accordingly.</p>
<p>8. Have your pay decisions been reached in accordance with a pay policy reflecting clear performance criteria?</p>	<p>Yes.</p>	<p>Appraisal process in place for all staff. <a href="#">KCC total contribution</a> for staff other than teachers and teacher appraisal process in place for all Teachers, Assistant Headteachers and the Headteacher.</p> <p>This year again we were unable to follow the KCC recommendations for % increases as these were unfunded so we used increases that we could afford.</p>
<p>9. Has the use of professional independent advice informed part of the pay decision process in relation to the Headteacher?</p>	<p>Yes.</p>	<p>The services of our independent <a href="#">school improvement partner</a> (KCC colleague Peter Byatt) has been retained for this purpose. Details of this are available.</p>

## B: Setting the budget

Standards.	Met?	Evidence.
------------	------	-----------

10. Is there a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment?	Yes.	Development plan has now been costed and linked to budget. <a href="#">Development plan</a> is now online on our SharePoint site with all aspects costed appropriately.
11. 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?	Yes.	Three year budget plan now signed off by Chair of Governors and with KCC. School has now adopted KCC planning software. All on KCC SPS system.
12. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?	Yes.	Yes in place through the three year plan. Plan to manage accrued debt and operational deficit has been a real success.
13. 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?	Yes.	Budget is in line with the three year plan, changes in the student numbers can and does have a significant impact on our budget. The school has updated the budget recently to take into account the impact of closing the weekend boarding and the additional 3 students who have stayed with us longer than planned.

<b>C: Value for money.</b>		
<b>Standards.</b>	<b>Met?</b>	<b>Evidence.</b>

<p>14. 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?</p>	<p>Yes.</p>	<p>Now benchmarking using the <a href="#">KELSI website</a>. Finances monitored in weekly 1:1 meetings with Finance manager and Headteacher. Every cost is questioned and contextualised in terms of positive impact on the school. <a href="#">Benchmarking</a> is now done annually by the finance manager, Headteacher and Business resources committee.</p>
<p>15. Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?</p>	<p>Yes.</p>	<p><a href="#">Budgets</a> are now fully devolved through our distributed leadership structure. They are monitored on a weekly basis. All spending is in line with our finance policy, meeting legal requirements and securing value for money. All service level agreements are monitored and reviewed to ensure they offer best value for money.</p>
<p>16. 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?</p>	<p>Yes.</p>	<p>School was not predicted to have a rollover but the balances are significantly better than anticipated. The school is currently in formal consultation on a reorganisation proposal that will change our boarding pattern allowing us to resolve the projected deficit and balance the budget for the year 2017-2018 and 2018-2019.</p>
<p>17. Does the school maintain its premises and other assets to an adequate standard to avoid future urgent need for replacement?</p>	<p>Yes.</p>	<p>Budget devolved to us has been such that we have not been able to maintain our premises, indeed we have had to raise £48,000 to maintain the fabric of the residential flats and maintain the grounds. This of course is an unsustainable model with no guarantee we will be able to raise a similar amount next year. We will need to review what we have to invest in the fabric of the building to ensure we maintain it to the standards that our students deserve.</p>

18. Does the school consider collaboration with others, eg on sharing staff or joint purchasing, where that would improve value for money?	Yes.	Yes, through the Kent Association of Special Schools, collaboration with the four Thanet special schools, with Bradstow special school.
19. Can the school give examples of where it has improved the use of resources during the past year?	Yes.	Because of reduced funding, resources have been improved only through the School Voluntary Fund, a registered charity with strict criteria on how its funds can be used. Through prudent curriculum planning we have introduced a sensory space, all weather pitch for sports and a shelter for our growing cycle fleet. Stewardship now plays a real part in how we operate, asset register is now in place as per recommendations from last audit. We have made significant improvements in ensuring staff absence is managed appropriately, this has resulted in a significant improvement in attendance and a drop in overtime and agency staff costs.

<b>D: Protecting public money.</b>		
<b>Standards.</b>	<b>Met?</b>	<b>Evidence.</b>
20. Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body?	Yes.	All outstanding issues raised in our last BRC meeting and are being resolved. The asset register is now in place, though needs constant review. Auditors visited again again in May 2016 to Quality assure our efforts we are acting upon their recommendations and have submitted our reply. All of this is monitored by our Business resources committee.

<p>21. Are there adequate arrangements in place to guard against fraud and theft by staff, contractors and suppliers (please note any instance of fraud or theft detected in the last 12 months)?</p>	<p>Yes.</p>	<p><a href="#">Assets</a> are security marked. Cash, cheques and purchase cards are stored securely. Financial procedures are in place including separation of duties, authorisation of orders and claim forms, two signatures required on all cheques and on invoices. Online payments through corporate cards are monitored by the finance manager and signed by the Headteacher.</p>
<p>22. Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?</p>	<p>Yes.</p>	<p><a href="#">Whistle blowing policy</a> is now online and accessible to all staff. We are looking at designing information posters and placing them around the school to ensure visibility. We have had a number of disclosures this year that were actionable, after 3 investigations two resulted in disciplinary action the other in an additional supervision.</p>
<p>23. Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the annual Consistent Financial Reporting return?</p>	<p>Yes.</p>	<p>The school uses the SIMs FMS package for financial accounts, and maintain a contract with EIS and Schools Financial Services to ensure that the system is kept up to date and support and advice always available. SIMs Personnel tool is used for calculating salaries as accurately as possible being aware of additional costs. We now use KCC budget planning software, this has allowed us to ensure effective and efficient monitoring, 3 months, 6 months and 9 months. Financial Services are monitoring salaries along with HR department of the school. All CFR reports and returns are produced and submitted on time. Training sessions and workshops provided by EIS and KCC Financial Services are attended by Finance staff whenever necessary. All data and systems are password protected. New financial planning tool in place. Finance Manager part of the focus group reviewing this. Planning tool will ensure consistent reporting.</p>

<p>24. Does the school have adequate arrangements for audit of voluntary funds?</p>	<p>Yes.</p>	<p>'School Fund Manager' software is used to record all Voluntary Fund transactions and to ensure separation of public and private funds. Accounts are sent to KCC Finance annually for audit on completion of Year End procedures. The Income and Expenditure figures, trustees report and any changes to trustees are uploaded to the Charity Commission website. Audits are carried out in line with requirements of the charity commission.</p>
<p>25. Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?</p>	<p>Yes.</p>	<p>The school buys into a 'Disaster Recovery' contract with EIS for IT business continuity. All data is backed up daily by EIS. <a href="#">Asset registers</a> are under regular review and make up part of the school management plan. Our continuity plan has just been updated and is under constant review.</p>

## Outcome of the Self-Assessment.

### E. Summary of agreed remedial action and timetable for reporting back.

16. We continue to work toward a balanced budget, we manage all spending very carefully, have cut budgets, included fiscal responsibility into our performance management processes, set and devolved budgets throughout the school and review all budgets on a monthly basis. Finance manager meets with the head for review meeting every week. We are now in the formal stage of consultation on changing the boarding pattern offered by the school to ensure expenditure is covered by income and our budget can balance.

17. We are working on devolving more of our income to the maintenance of the building to ensure we maintain an aesthetically pleasing environment (in addition to ensuring it is safe and complies with all relevant legislation) for our students, one conducive to learning, weather proof and safe.

Chair of Governors: Richard Farr.

..... [Click here to enter a date.](#)  
Signature: Chair of Governors.

Date agreed by Business Resources Committee.

Thursday, 09 March 2017

Date submitted for review to Local Authority.

[Click here to enter a date.](#)