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Theme 9: Financial, audit and management control improvements leading to savings or improved reporting and compliance

One of the main issues within the cluster was the lack of financial acumen amongst the academy business managers, and how this was impacting on the control on academy finances.

The cluster consists of nine primary academies in Northamptonshire, some are in a very rural setting and some are in urban Northamptonshire, and pupil numbers vary from just over one hundred to over four hundred and twenty. They are all part of the David Ross Education Trust.

The role of the Cluster SBM is to support the academy business managers in preparing their monthly management accounts and then to help them interpret these accounts and report to the school principal on the financial position, ensuring resources are allocated to the most appropriate areas. The Cluster SBM also advises the school governors and attends their finance committee meetings to offer advice and support.

In addition, the Cluster SBM will assist each academy in the preparation of their budgets and in-year projections, and advise accordingly.

Prior to the appointment of the Cluster SBM, the academy business managers had been preparing their individual academy monthly management accounts. Once these accounts had been prepared on a month by month basis it was found that, on the whole, the information was not being maximised. While the academy business managers were able to prepare a budget and post items of income and expenditure to the financial accounting systems, they were unable to accurately report the academy's position against budget or understand what information the balance sheet was providing.

It had become apparent that, as actual spend wasn't being tracked against budget, there was not enough control on academy finances and more control was required to ensure resources were being allocated to the most appropriate areas and ensure income was being maximised and received as budgeted.

As well as supporting the academies preparation of accounts, the Cluster SBM visits the schools monthly to meet with the business manager and the principal, review the accounts and advise on the financial position. This means more control is being taken over the academy finances as a whole utilising the contact with individual schools which has been enabled by having the Cluster SBM. The Trustees are also more confident that the accounts being produced are a true reflection of the academy position and resources are being directed into the most appropriate areas. Principals now feel that the information being provided to them is useful and relevant and are able to make the appropriate financial decisions and the Trustees have confidence in the financial information being produced.

Academy business managers also feel supported by the Cluster SBM and appreciate the Cluster SBM's visits to them; valuing the financial expertise being provided to them.

The business managers in the schools now meet in their own groups without the Cluster SBM regularly to work collaboratively and share ideas leading to increased efficiencies as they share expertise and best practice amongst their academies.

The formation of the cluster group, together with the introduction of a Cluster SBM, has been of benefit to the academies and the Trust would definitely recommend this structure. Following initial concerns from some of the business managers and principals, once they could see the clear benefits before them, they were accepting of, and embraced, the new structure.