Baffled by Budgets? – Unlocking Financial Complexities

Educating students, supporting staff, monitoring quality and compliance issues, responding to parents and dealing with suppliers is a full-time job. But who is keeping an eye on the school's finances?

Financial management is not just an accounting function, and it's too important to leave to your finance team, as good as they are.

Principals, senior leaders or heads of department are responsible for the prudent stewardship of the school's financial resources. To meet this responsibility, all need to understand organisational finance.

Day-to-day recording and reporting financial activities and providing sound advice is the role of the finance team, but managing the school, or part of the school, is vested with the leadership team. Sound financial management is as important to not-for-profit enterprises as it is for commercial businesses. Your school does not deliver profits to shareholders but it must generate surpluses to reinvest to achieve its mission and purpose.

To do this requires an understanding of the key financial principles that underpin your school: organisational drivers, budgets and management of financial inputs and outputs. It means being able to establish benchmarks, develop appropriate targets, and knowing how to read financial reports in order to monitor, manage and improve performance.

A sound appreciation of financial principles enables school leaders to, for example:

- present a business case to the school’s leadership team or school board in support of a major capital investment
- consider funding alternatives to support school growth
- make decisions that ensure financial sustainability.

Good financial management skills have a positive impact on results and add value but school leaders say it is a daunting topic, particularly for those new to their role.

Two new programs for principals and senior leaders have been developed to unlock the mysteries of finance. They are designed for all career levels to meet an ever widening range of responsibilities.

Participants have told us that the programs, with practical examples and activities, are appropriately pitched to help senior leaders. They say that the programs ‘have made the previously insurmountable very clear’, and that ‘great confidence has been gained together with a foundation of financial literacy from which to continue learning’.

For further information on Financial Management Programs for Principals and Senior Leaders, contact Sue Woodhams, The Development Centre Program Manager via email or on (03) 9825 7256.