

When the administrator is not there

This is an extract from the minutes of a finance committee meeting of a school. We found it on the internet – it is reprinted exactly save for a couple of details that would help identify the school in question.

“The Head presented a summary paper giving the current position with regard to income from and expenditure on music tuition at the school. She reported that in the absence of the Administrative Officer, the Finance Team had picked a very complicated accounting system for recording music tuition income, and it had taken considerable time to work out.

It had been anticipated at the start of the year that the school would break even, however, it had become apparent that income was not going to match expenditure. It had become apparent that not all parents had been written to asking for their fees, and they were now being requested retrospectively.

At the present time the shortfall in income over expenditure was approximately £7,000. The head had given her approval for the finance team to set up a completely new system to work out and record music tuition fees.”

What this little extract from a school’s minutes shows is that (in this case at least) if the Administrative Officer had chosen the system that could have saved the school a huge sum in cash – plus a huge amount of time.

The net result of not using the Administrative Officer to choose the system was that there was every chance that some of the money that was not invoiced at the proper time would never be recovered. Worse, huge amounts of time were wasted running the system – and that system then had to be scrapped, wasting even more time – plus the cost of the implementation of the first system.

It is more than likely that when all the time and lost fees are accounted for, the school will have lost at the very least £10,000. All because the Admin Officer was not consulted.