

Understanding devolved accounting:

What benefits does it deliver to colleges?

Simon Kearsley is CEO at accounting software vendor, Symmetry (www.symmetry.co.uk) which specialises in providing solutions to the FE sector

If you've ever thought that devolved accounting is just a ruse for the finance division to shift some of its workload to other departments, then think again. It certainly means that non-finance staff do become more involved in the accounting process, but typically the results are beneficial for the whole college.

So what exactly is devolved accounting and how can it improve your efficiency? Fundamentally, it really means extending the responsibility of financial matters beyond the accounting department and introducing a self-service culture when it comes to accessing and/or processing finance-based data. This certainly reduces the administrative burden for the finance team but it also speeds up the accounting process resulting in greater efficiencies across the organisation. Here's a pick of the common challenges you may recognise in your own college that could be solved more efficiently by adopting a devolved approach.

■ Valuable finance resources are being tied up on non-essential tasks - Many finance departments can spend days of valuable time collating customised reports for the principal, governors, budget holders and so on. Why not introduce ready-made customised reports that can be sent out automatically via email at pre-set intervals or allow departmental managers to access reports themselves at any time of the day.

■ Staff unable to help themselves to the latest information wherever they are - Typically non-finance staff may struggle with navigating and finding pertinent information in the college finance system. Through the use of information portals available with modern finance systems, users can find, view and take action on information that is relevant to them on an easy to use web page. Browser-based systems allow users to do this when away from your desk, either working from home or perhaps from another site or campus.

■ Slow authorisation & need to go green - For those with geographically dispersed sites or departments, purchase orders or other important financial documents can be approved immediately rather than be delayed because they are waiting in somebody's in-tray to be signed off. By introducing electronic approval, employees can raise a PO themselves and email to the relevant person to authorise. If there's no answer, they can then chase approval easily without having to send items through the internal or conventional post. It can also contribute to your environmental footprint allowing you to reduce the paper trail because all correspondence is electronic.

■ Lack of budgetary control - To avoid over-spending you can give budget holders daily access to up to date information as well as provide summary information to senior managers so they can oversee expenditure and ensure that it is being spent appropriately.

■ Poor cash-flow & credit control - This is a major area where devolvment can make a tremendous impact. Think about how much faster fees could be paid if you could offer self-service on-line payments to students and generate electronic reminders that could be emailed automatically. Another way of saving time is to give non-finance staff the tools to collect cash from students and enter it straight into the finance system without the need for a finance professional to re-enter figures, which not only wastes time but is open to errors or duplication.

Adopting a devolved strategy is rather like a self-help remedy that if prescribed can dramatically increase both your operational efficiency and your balance sheet. The next challenge is to give staff the right tools and the motivation to take part.

Devolvment Case Study →

Northumberland College

Established in 1992 Northumberland College (www.northumberland.ac.uk) runs over 1,000 courses covering creative & leisure, access, care & education, IT & business, technology and work-based learning. It is the only education and training institution that offers training from campuses that cover the whole of Northumberland.

Challenge - Limited reporting functionality hampered the college's ambitions to devolve

The College had, for many years, operated a stand-alone Sage system and although this system had performed admirably in the past, its ability to meet new demands, such as devolved budgeting and reporting were severely limiting the College's drive towards greater departmental autonomy. Management Accountant at Northumberland College, Julie Irwin, describes the issue, "Our existing system performed the basic accounting functions well, however in order to reduce our time spent on non-critical

financial administration and to give our budget holders greater control over their finances we needed a system that could provide a reporting tool customised to the specific requirements of the College. This is where the incumbent system fell down; its reporting capability had limited functionality, was cumbersome and therefore very time-consuming."

The College decided to therefore replace the old system with a solution that could support electronic-based accounting procedures, customised reporting and support a growing number of both finance and non-finance users. The new solution was also expected to meet the College's drive towards greater integration and support for self-service accounting as part of a wider devolvment strategy.

The Solution - An integrated solution that provided 'customised' reporting

Julie explains the selection decision, "A system from Symmetry stood apart from the rest due to a number of factors. Its reporting capabilities enable us to customise reports

for each department with just a few mouse clicks, and the fact that it's completely web-based means it's very intuitive, easy to use, and required minimal training."

She continued, "To increase efficiencies across the College, we are keen to encourage as much involvement of non-finance staff as possible. It was therefore essential that the system could be used by everyone, not just our own finance team."

Results - The College has improved its internal resource efficiency by over 20%, reduced purchasing errors to zero, and now has a platform ready for full budgetary devolvment.

The new system has enabled the college to expand its financial operation from its existing 8 users, to 30 non-financial users as well as give options for the future such as e-procurement. The system will also interface directly with the College's student record system.

Julie explains how the system has helped its devolvment strategy, "We are now able to provide detailed financial information

regarding budgets and purchasing activities specific to the needs of each department. Departmental heads and budget holders can access the information in summary form and then 'drill' down to any specific area of interest or concern. With this information they can manage their budgets in real-time without the need to contact the finance department."

Another area where the new solution had made a significant impact is the purchase order function within the college. "In the past", says Julie "every department had to complete a purchase order manually, and then send it, plus a written authorisation to the finance department. This whole process was very time consuming, documents would either get lost or be signed-off by the wrong person causing a degree of frustration with everybody involved. With the previous system we estimated that at least one finance professional had to be employed full-time, plus any other member of staff that was available to complete this operation. Time that could have been focused on tasks more appropriate to the skills of the individual and the direct needs of the department."



SCHOOLS Publishing Ltd.

St James's House, 118 Greys Road, Henley-on-Thames, OXON RG9 1QW.
Tel: 01491 411848 Fax: 01491 411416

The publisher of Independent Education Today, Further Education Today and Building 4 Education

click on a cover below to visit the appropriate website

