Over 70+ video tutorials

Getting to know SchoolPRO is as simple as logging in.

SchoolPRO software is easy-to-use and cleverly built — *it's true!* But did you know there are over 70 video tutorials, easily accessible via the **Help section** within SchoolPRO? Including:

Billing Overview

Payment Schedules

Medical Data Analysis

...and much more! Visit **schoolpro.com.au/videos** *for the full list.*

Introducing Digistorm's Newest Integration: ENROL and SchoolPRO

Schools who use the SchoolPRO management system can now automate their enrolment process with the new Digistorm ENROL and SchoolPRO integration. Increase efficiency through seamless integration of data from your SchoolPRO administration software and your online enrolment system.

How can SchoolPRO schools benefit from ENROL?

SchoolPRO schools now have the ability to export enrolment data directly from their ENROL system into SchoolPRO in a single, seamless step. The in-depth integration offers an effective online enrolment system to parents and a simple, efficient process for importing enrolment information for schools.

So why is online enrolment better?

Online enrolment systems like ENROL take the manual administration out of the enrolment process for everyone involved. ENROL offers a user-friendly and mobile-responsive online form that collects all of the data that your school needs. Prospective families can even add scanned documents using a simple file upload option. Information from this form is then fed directly and instantly into an online system, removing the need for printing, scanning and inputting form data.

How can SchoolPRO schools get started with ENROL?

SchoolPRO schools who are interested in offering their community a simpler way to enrol students can integrate their systems by contacting **Chris Lang** on **0420 997 479** or **chris@digistormeducation.com.au**.

A message from the General Manager

One of the important briefs in my role is to continually engage with SchoolPRO users.

The need to listen and understand what schools are wanting is critical for all stakeholders. In my efforts to do just this I was particularly drawn to a quote from the late author Stephen Covey of "*The 7 Habits of Highly Effective People*" fame.

"Most people do not listen with the intent to understand. They listen with the intent to reply"

For me the difference between listening and hearing is simple. It's giving the speaker a comforting space and time to speak and analyse what is requested. The other thing I have learnt of many years is to always ask "is now a convenient time to speak". Schools can be notoriously busy and most staff are time poor.

I look forward to continually listening & hearing what our SchoolPRO users are telling us.
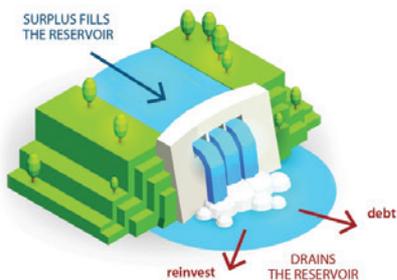
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How to Assess and Manage your School's Financial Sustainability

To be sustainable, a school must generate a surplus (cash inflow from operations) that is adequate to meet annual cash outflows for asset replacement and debt servicing. Consider the analogy of water (cash) flowing into the reservoir being sufficient to meet the water (cash) flowing out though the floodgates for asset reinvestment and debt servicing. If the cash inflow is not sufficient the reservoir will run low and may run dry. In years of significant asset reinvestment, the school may supplement the cash requirements from extra borrowings, (pipe water in) and/or use some of the reservoir. But in the medium to long term, cash flowing in each year must be adequate to meet the cash flowing out.[1]

The law requires your school to be financially viable, but in reality, it must be financially sustainable. Financial viability is more of a short-term focus including your ability to pay debts as and when due. **Financial sustainability is like multiple periods of financial viability** where you continue to pay debts and operate as a going concern into the long-term future.

Enrolments are a key driver of cashflow. If your school doesn't adequately reinvest and maintain facilities, which often involves debt, this may have an adverse effect on enrolments. School governors and senior managers must therefore **ensure that cash flowing in each year is sufficient to sustainably meet the cash flowing out for asset reinvestment and debt servicing.**

Governors and management make decisions in relation to fees, curriculum offerings, staffing and other operating matters that affect the annual operating surplus "rainfall". They also make decisions in relation to reinvestment into buildings plant and equipment which usually results in the need to service debt.

Three important questions are therefore - What is an adequate operating surplus and how can that be influenced? What is adequate reinvestment? What is appropriate debt?

Research indicates three categories for attributes of a financially sustainable school as follows **1. Financial** – use of ratios/benchmarks, adequate cash flow and reserves, adequate debt servicing. **2. Non-financial** – culture that is innovative, future looking and willing to adapt to changed circumstances, stable enrolments, quality service, staff and facilities (adequate reinvestment). **3. Leadership and Management** – quality board, governance and management including financial literacy skills, good strategy, reliable, accurate, timely budgeting and reporting and, balancing competing needs of various stakeholders. This paper focuses on the financial attributes.

In the era of business process transformation, we should allow machines to do what they do best: performing repetitive tasks like collecting and analysing data so that humans can do what we do best: resolving ambiguous information and exercising judgement. The ASBA/Somerset Non-Government Schools' Financial Performance Survey (FPS) turns data into information, enabling you to synthesise it to make well-informed decisions on the financial management of the school.

The Financial Performance Schedule is a school financial ratio and benchmarking survey that has operated for more than 25 years. Participants represent more than 70% of enrolments in independent schools, 98% of participants rate the survey good to excellent and 100% recommend it to others. **A crucial attribute of a financially sustainable school is the use of trend and comparative ratios** in school management and governance. Are you using comparative and trend ratio analysis in the management of your school? The The Financial Performance Schedule is an easy way to do so.

Each year approximately 700 schools log into the survey at www.somerseteducation.net to enter/upload data directly from their Department of Education Financial Questionnaire and Federal student and staff census. So, data definitions are consistent, which means reliable comparisons. A sample of similar schools is selected, and a report is instantly compiled calculating 60 ratios for the school and comparing performance with sample averages, plus graphing and commenting on performance for a selection of key ratios – see the sample in Table I.

Table I: Key Performance Indicators					
Ratio	Your School	Rating	Sample Average	More/(Less) than Average	Pag
Working Capital *	0.59	?	0.96		4
Cash Flow Adequacy *	1.10	✓	0.99		5
Reinvestment / Net Cash from Operations	64%		80%		6
Interest Cover *	5.7	✓	11.0		8
Debt per Student	$6,905	✓	$9,395	($2,390,191)	8
Total Recurrent Income per Student	$22,975	?	$23,325	($336,347)	9
Discounts & Concessions as % Total Fee Income (excludes boarding)	12.1%	?	11.6%		9
Teacher Salaries per Student	$10,101	✓	$10,879	($747,205)	11
Total Expenditure per Student (excluding Int, Depn, Amort & Boarding)	$20,354	?	$20,155	$190,999	11
Net Operating Margin (EBIDA/Gross Recurrent Income)	10.6%	?	12.6%	($449,588)	14
Primary Student/Teacher	13.8		13.8	(0.0)	13
Secondary Student/Teacher	12.0		11.4	(2.3)	13

Schools can use this information to identify and quantify strengths and weaknesses and set strategies accordingly.

Another key attribute of a financially sustainable school is the ability to adapt to changing circumstances. Annual participation in the survey allows a school to produce a historical report to assess trends in their ratios for the past six years. The Somerset Key Indicator (SKI) Report also allows the entering of budget data to analyse proposed future trends in performance for up to five years – helping assess the future financial health from decisions being made now.

Using depreciation (the rate at which assets wear out) as a proxy for minimum asset reinvestment, and adding this to minimum debt repayments, we can estimate the annual cash outflow required from the reservoir "floodgates". Comparing this to the annual operating surplus helps assess sustainability. For example, if depreciation is $250,000 and debt repayments are $150,000 per annum, the school should generate an annual operating cash surplus of at least $400,000 to be sustainable.

The Financial Performance Survey will do much of the analysis to help you assess sustainability and identify and quantify possible improvements in performance if required.

So, what is an adequate operating surplus for your school depends on the annual cash required for asset reinvestment and debt servicing. If your school decides to significantly increase debt, then you are also committing to a need for high cash surpluses. You don't have to be the best or have the highest operating surplus – the least financially healthy school may still be sustainable. It is about what is enough for your school.

These simple principles apply whether you are a new school with a handful of enrolments or a long-established school with thousands of enrolments, or if enrolments are stable or changing (up or down). If you are looking for help to operate in an efficient and effective manner and sustainably fund capital reinvestment and debt servicing, I encourage you to participate in this long-established FPS.

For further information, please contact Somerset Education at **info@somerseteducation.net** or telephone **1300 781 968**.

John Somerset,
Director Somerset Education

somerseteducation.net

[1] Somerset J.W.P. (2017) Attributes of a financially sustainable independent school. (Master of Business), Queensland University of Technology

The Face Behind the Name

Meet Geetha Prabhakaran, our newest support team member. Geetha hails from Madras in India where she attended secondary school at St. Stephen's Matriculation School.

From secondary school Geetha attended Madras University - India where she graduated with a Bachelor of Computer Application. Geetha then moved to Australia and attended James Cook University - Townsville where she obtained a dual degree in Masters of IT and Business.

Now based in Melbourne with her husband and young son, Geetha has quickly become comfortable supporting SchoolPRO users throughout Australia. Working alongside Christian Townsend and Patrick Nickholds, Geetha has been able to use her strong IT skills to relate to SchoolPRO and the education industry.

Geetha says "the thing I like about my job is dealing with such a diverse range of SchoolPRO users."

Geetha Prabhakara

Privacy and Security Update

Security Tips

1. It might sound obvious but...

- Beware of social engineering. If you didn't expect the email, chances are it could be a phishing attempt. If you didn't expect the call, validate the person's identity and call them back on their registered office number. If you didn't expect the person, don't let them in until validated.

2. Be secure

- Beware the dangers of working on public WiFi. Put your laptop away and enjoy your latte instead.

- Always make sure your computer is receiving updates to its antivirus, speak to your IT team if you have any doubts.

3. It's not just digital

- Be careful what you leave laying around in the office, ensure your desk remains clear of confidential or personal information.

- Always collect your printouts. You will be surprised at what you can sometimes find left on a printer!

- Having visitors is lovely, just be careful what they can see and ensure they are accompanied wherever possible.

4. Get in the habit

- Always lock your computer when you walk away from it, even if it's for a couple of minutes. It can take seconds for someone to access something they shouldn't have access to – imagine the consequences in a school environment. Have you ever had to investigate a situation where a student has changed their own behaviour record on an unlocked staff computer? I have!

5. Transferring data

- Always transmit data containing personal information securely.

- If you have to use email then password-protect files that contain personal information before transferring out of you organisation's control. Deliver the password via another means such as a phone call to the individual.

- Double check your To: field and always remember to use BCC if contacting large numbers of people.

6. USB/removable media

- Avoid using USB sticks altogether for storage of any data that contains personal information. With modern cloud technologies at your disposal, think about changing your habits in this area.

- If you have to use a USB stick in your role, consider purchasing an encrypted USB stick. Remember, a lost USB stick with lots of personal information on it could easily become a notifiable breach.

7. Embed security into your work pattern

- Consider security at the start of a project, rather than as an afterthought. A Privacy Impact Assessment is a very good way of risk assessing a project at the early stages and ensuring the necessary security controls are in place to protect personal information.

- Consider keeping a departmental risk register. Using a risk register can help you remain transparent about any security concerns you have and quickly decide on ways to mitigate the risk. It's also very useful evidence that you are considering security in your work.

8. Get to grips with your passwords

- Consider using a password manager where appropriate and make your passwords suitably complex. On that note, the US National Institute of Standards and Technology (NIST) announced last year new recommendations on password management. In short, they recommend 8-64 characters, not forcing a routine password change and using a combination of random words instead of your traditional complex password. It will take a while for this to be generally accepted as it's a significant change to current practice almost everywhere.

Finally, did you know:

The maximum penalty that can be issued by the OAIC for a breach of the Australian Privacy Act is 2000 'penalty units' which equates to $420,000. However, failures to comply with the notifiable data breach scheme can attract fines of up to $2.1 million. By contrast, a breach of the European GDPR can attract a fine of up to 20m Euros or 4% of global turnover, whichever is greater. I predict that over time Australia will seek greater parity on the world stage when it comes to privacy law. One thing I've learned through watching others struggle with GDPR, is that if you aren't compliant with current law then the gap to any new regulation will be that much greater.

Daryll Holland, Portfolio Manager – Privacy & Risk

Education Horizons Group