



Business Pressures on Academies



This newsletter has been prepared by :

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An increasing number of schools have and are converting to Academy status and in this regard Essex leads the way. The freedom that Academies enjoy is a huge advantage, but along with that freedom comes increased responsibility as schools in effect are having to be run as businesses. In March 2012, there were 1615 academies in England, and of these the UK 200 Group currently acts for 133, a healthy 8% share of the total.

Academies usually appoint a business manager or management team to take responsibility for operational matters. For those that don't the added responsibilities of running as a business can be overwhelming.



The first step to ensuring success is to have sufficient strategy procedure policies in place in order to alleviate the inevitable stress should something go wrong.

Financial Regulations

The DfE offers guidance in the Academies Financial Handbook on financial regulations that should be put

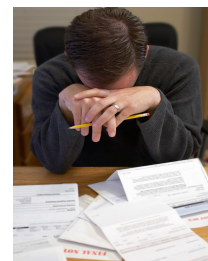
into place by all Academies. The Regulations should be designed to ensure that adequate systems of financial control are in place in order to properly meet the requirements of the school's funding agreement with the Department for Education.

Do you have a Risk Register?

Have you a Risk Register in place to ensure adequate response is given to any specific situation should it arise? For example: If fraud is discovered at an academy school, this inevitably attracts bad and widespread publicity. If this happens at your school what do you do? A risk strategy would grade the likelihood of an event occurring and grade the impact of the occurrence; provide a response and control of the situation with the allocation of responsibilities to a dedicated team to take action.

Code of Conduct & Whistle Blowing

It is essential that governing bodies establish and monitor standards of conduct and behaviour, including the establishment of relevant policies and procedures. It is the responsibility of the Head Teacher and other managers to address promptly any breaches using informal procedures where possible but implementing formal procedures when necessary. All staff need to be familiar with the Code, Policies, and Procedures.



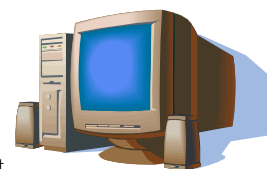
Anti Fraud & Corruption Policy

Academies should have a policy and procedure in place that all governors and employees with financial responsibility adhere to in order to safeguard the Academy from fraud and corruption. The policy should include clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

If you need guidance on any of the foregoing, please call us for advice.

Fixed Assets

Another issue that crops up regularly for newly converted Academies which is causing much confusion is the treatment of fixed assets. All Academy schools should establish and maintain a fixed asset register to ensure Governors safeguard the assets. New Academies need to establish a method of valuation for the assets transferred at conversion and a popular method appears to be to use the insurance valuation.



This seems to us the most practicable solution but you should consult with your auditors over what would be best.

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If you have a query relating to fixed assets, please call us. We have considerable experience in these matters and can throw light on what might be considered to be a minefield.



Update

Effective 1 April 2012 The YPLA has changed its name to EFA

The Young People's Learning Agency (YPLA) and Partnership for Schools (PFS) ceased their activities at the end of March 2012. Their remit, responsibilities and staff, along with a number of Department for Education (DfE) staff, have moved to the Education Funding Agency (EFA), a new Executive Agency of the Department for Education.

For those of you who previously kept up-to-date with developments in the sector through the YPLA e-bulletins, you now need to access the equivalent

EFA e-bulletins at <http://www.education.gov.uk/schools/toolsandinitiatives/efabulletins>

Academies Financial Management and Governance Evaluation

All Academies would have completed the FMGE return and sent it into the YPLA. This has now been used by the YPLA to assess which schools to visit in the first stage of their school reviews. All schools should expect a visit at some time, if they have not already been visited.

Remember You are Not Alone

If you are experiencing problems in running an Academy, don't despair. You are not in it alone – best advice is to talk to other schools who are operating as Academies and speak to professional advisers. Find out which organisations provide the different services for them. If you are still in doubt, call us for advice. Any initial meetings are free of charge and without obligation.

We can assist with the setting up of financial systems and records; management of payroll via a BACS approved payroll bureau operated in house; provide assistance with audit and charity reporting. Our doors are

open and we would be happy to help and welcome your enquiries.

The experience we have gained from working with independent schools also stands us in good stead for working with converted academies. Visit our website to see a sample of the testimonials from some of our existing clients. www.edmundcarr.co.uk



Disclaimer

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

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