



## Academies Newsletter



**As another financial and academic year has come to a close, the deadline for the submission of the 2013 audited accounts begins to loom ever closer and for some for the first time.** The number of academies is on the increase as more and more schools seek the independence and additional funding to help meet their aims of providing a well balanced education.

As academy numbers grow, so does the number of UK 200 Group member firms that act for them. UK 200 Group member firms now act for over 150 academies.

### So what's new?

- Since our last newsletter in February the EFA have delivered a new Academies Financial Handbook which is effective from 1 September 2013. Their aim was to hopefully deliver a more conscious and helpful handbook that clarifies the responsibilities and deadlines that have been laid down by the EFA. The handbook goes hand-in-hand with the funding agreement and documents the relationship between the academy and the EFA.

### Key points that we have identified from the new handbook:

- Additional information describing the role of the accounting officer
- The annual 'value for money' statement by the Academies Trusts' accounting officers has been decoupled from the annual accounts and will now be a separate return
- The appointment of a Responsible Officer has been confirmed as non-mandatory
- Committees must meet once a term
- Risk management
- The compulsory Trustees remuneration disclosure
- Relaxation on GAG disclosure and carry forward funds – this allows academies to carry forward the excess funds so they can be set aside for future long term capital projects

The handbook mentions in several places the 'value for money' statement which looks at 3 key areas:

The economic, efficient and effective use of all the resources.

### Deadlines

The academies still have a number of deadlines to meet and we as auditors have assisted our academies in meeting these throughout the year.

## October 2013

Below are the key deadlines:

- Accounts submission to the EFA – 31 December 2013
- Accounts submission to Companies House – 31 May 2014
- Requirement to publish the accounts on the schools website – 31 May 2014
- AAR returns to be submitted – 31 January 2014
- March 2014 accounts returns for new Academies - end of June 2014
- Budgets and forecast – 31 July 2014
- Submission of the EOYC return – 31 May 2014

### Auditor's management letter

*Did you receive a constructive management letter that not just highlighted internal control issues but provided suggestions and guidance in how to rectify the issues?*

We see this as a key area and an opportunity to work with our academies so that the academy receives a value for money service from us.

*Are your audited accounts on your website?*

This has been an area of concern to the EFA and they have insisted that this must be done.

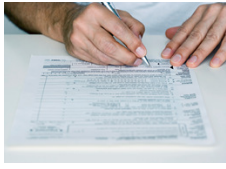
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**Audit issues from 2012**

Another topic that is hot on the lips of most Academies is the requirement to disclose the Trustee’s remuneration. This is something that the EFA have noted did not always get disclosed and was the reason for the majority of the audit qualifications in the prior year. Despite long discussions with the Charities Commission, the EFA have again insisted that this must be disclosed under £5,000 bandings.



During the year Peter Lauener sent a letter to all academies with 9 key questions:

- Are you confident you are procuring all goods and services in an open and transparent way?
- Are you ensuring that your cash flow reflects the activity at the trust and that it is properly reconciled at least monthly?
- Do you have robust controls for payroll arrangements – particularly important in a multi-academy trust – including checks that any amounts paid out are the right amounts and paid to bona fide employees?
- Do you have appropriate separation of responsibility in your finance sections? Are you providing proper management

support to your finance staff to operate in a role where they are well-placed to provide you with a ‘first line of defence’ in terms up upholding propriety, regularity and value for money in the use of public funds?

- Are you making sure conflicts of interest are avoided and that you are keeping registers of interest up to date?
- Are you confident senior staff and trustees are not gaining any private or personal commercial or financial benefit as a result of their position, other of course than under their contract of employment?
- Are you sure that your academy trust is not being exploited for personal/private benefit and that any fees for consultancy work are where appropriate being properly accrued to the academy trust rather than to individuals?
- Do you have robust procedures for the recording, documenting, evidencing and monitoring of information and especially the reasons for entering into major spending commitments?
- Do you have properly constituted arrangements for internal audit to give you and trustees a further safeguard that everything is in order?




**These are 9 questions all academies should ask themselves. Have you done so yet?**

**87% of the academies met the EFAs deadline for submitting the accounts on time.**

**Conclusion**

As more and more academies are formed, the more important the quality of the financial statements are, as this is an insight for the outside world to see how schools are run. The learning curve continues and the deadlines keep coming but most importantly we must all remember that the aim for everyone is to keep a high standard of education and that the needs of the children are met.

**This newsletter has been prepared by our Academies Team. They are:-**

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**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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