

Plymouth Association of Governors

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Academy Expert

FRAMEWORK

Legal Environment

Company

- Limited by guarantee
- Memorandum and articles of association
- Companies Act 2006
- Member = shareholder
- Director = Trustee
- Governors (may not all be Directors)
- Company Secretary usually = clerk to Governor

An academy is a new business and separate legal entity

Legal Environment

Charity

- Exempt charity
- Principal regulator is Secretary of State for Education
- Otherwise a charity in all respects
- Governors/Directors are Trustees for Charity Law purposes
- Charities Act 2011 and Trustee Act 2000
- CC10 – Hallmarks of a well Run Charity
- CC3 – The Essential Trustee
- CC23 – Exempt charities

Legal Environment

Financial Environment

- Companies Act 2006 Accounting requirements
- Audit required under the funding agreement
- UK Generally accepted accounting Principles (UK GAAP)
- Statement of recommended practice (SORP)
- Coketown Accounts – Accounts Direction 2016
- Taxation
- Reporting to Companies house, EFA, HMRC, etc
- Academies Financial Handbook
- Accounting Officer
- CC8 – Internal Controls Checklist

FINANCIAL GOVERNANCE

Changes

- The financial governance of an academy or MAT is different to a maintained school
- More responsibilities
- Responsible for ensuring Regularity, Propriety and Value for Money are complied with
- Responsible for reporting results to the EFA (accounts)

Financial Regulation

- Academies Financial Handbook*
- Academies Accounts Direction*
- Governance handbook*
- Managing public money
- Companies Act 2006
- Charities Act 2011
- Charity Commission

* update annually



Academies accounts direction 2014 to 2015 (SORP 2005)

For academy trusts incorporated before 1 January 2015
For accounting periods ending 31 August 2015

June 2015



Academies accounts direction 2014 to 2015 (SORP 2015)

For academy trusts incorporated on or after 1 January 2015
For accounting periods ending 31 August 2015

June 2015



Academies Financial Handbook 2014

For academy members, trustees, accounting officers, chief financial officers and auditors

Effective from 1 September 2014

Key Structure Questions



- What is going to suit your strategic plan?
- Where does the MAT want the power to sit for each function?
- How much freedom do you want to give each academy?
- Different levels of delegation for each academy?
- How do you share expertise?
- When does a MAT become too big to have committees reporting into the Trust Board?

• Bishop Fleming
• How do you setup the MAT

Forming a MAT/convert

- When joining/forming a MAT/convert need to consider is it viable from a business sense as well as educational?
 - Budgeting
 - Employees
 - Collaborative working

Key Structure Questions



- Key areas to consider include
 - New audit committee function
 - Accounting Officer responsibilities
 - Schemes of Delegation
 - Reporting functions

FINANCIAL PROCESSES AND SYSTEMS

Processes and systems

- Once an academy (either standalone or MAT) many more financial responsibilities
- Reportable to the EFA
- More duties for business managers day to day and at year end reporting
- Need to update systems to meet needs

Processes and systems

- Central vs local processing and reporting
- CFO role in a MAT
- Levels of responsibilities
- MAT – top slice methods
- Software choices

Any questions please ask.

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