



Emerging issues – Academy briefing

The Academies Financial Handbook 2014

The 2014 edition came into force from 1 September 2014 and is now one of the key governing documents.

Some of the main changes include:

- the “Dear Accounting Officer” letters received by the accounting officer from time to time should be shared with governors and other SLT members;
- significant additional changes on managing relationships with connected parties i.e. all transactions with connected parties to be ‘at cost’ from November 2013 and the de minimis threshold is £2500 to reduce bureaucracy on minor transactions;
- governance arrangements must be included as part of the governance statement;
- a register of pecuniary interests of governors is mandatory and must be published on the Trust’s website (although discretion is retained over the publication of interest of other individuals including parent, spouse, civil partner, cohabitee and child);
- confidentiality clauses must not be used to prevent an individual’s right to make disclosures in the public interest;
- Thrust must notify EFA if they incur losses through fraud or theft in excess of £5000;
- both VfM statements and the annual accounts should be published on the school website by 31 January.

The Academy Website

Alongside legal information, academies are required to display a myriad of educational information on its website. Details for maintained schools (and therefore best practice) can be found at <https://www.gov.uk/what-maintained-schools-must-publish-online>

FRS102 and the revised Charity SORP

Financial reporting in the UK is undergoing one of its biggest changes in over 30 years. All accounting regulations are being re-codified and will be mandatory for the year ended 31 August 2016.

<https://www.gov.uk/government/publications/guide-for-academies-on-the-charities-sorp-2015>

Risk Protection Arrangements (RPA)

RPA started from 1 September 2014 and is an alternative to insurance where losses that arise are covered by UK government funds. It is not an insurance scheme but a voluntary risk-pooling scheme.

This scheme should be considered well in advance of the insurance renewal date to ensure cover is not compromised.

Although RPA costs will be deducted by EFA from grants paid to the academy at £25 per pupil), they will need to be grossed up for accounts purposes.

Further information can be found at <https://www.gov.uk/academies-risk-protection-arrangement-rpa>

Auto Enrolment

Auto enrolment means that employers will automatically enroll eligible jobholders into a qualifying workplace pension scheme on a particular date nominated by The Pension Regulator, known as the staging date.

TPS and LGPS are qualifying schemes and it is likely that the Trust's pension costs will rise after the staging date.

Updating academy trust governance contracts

Any changes in members, trustees, accounting officers and chief financial officers must be notified to EFA using the appropriate contact form found at <https://www.gov.uk/updating-academy-trust-governance-contacts>