

Robinson Reed Layton Academy Bulletin – June 2013



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**CHARTERED
ACCOUNTANTS
— and —
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TAX ADVISERS**

Introduction

Welcome to our first academy bulletin for 2013. This edition looks at the recent release of the Academies Accounts Direction 2012/13.

If you would like to discuss any of the items in this newsletter please contact one of the academies team listed on page 2.

Tracy Lewis
Academies Manager

Accounts Direction 2012/13

General

Following their public commitment to publish the annual update to the accounts direction three months before the year end to which it relates, the EFA released this year's update on 31 May 2013.

The accounts direction 2012/13 has been simplified and made more understandable.

The key issues have been clarified with explanations and examples provided.

Funds

There has been a clarification of what is to be included within each fund:

Unrestricted funds

- hire of facilities;
- music;
- nursery provision;
- school meals;
- school fund (private); and
- unrestricted donations.

Restricted funds

- GAG;
- other EFA grants/Pupil premium;
- other government revenue grants;
- restricted donations; and
- boarding activities.

Restricted fixed asset fund

- EFA capital grants;
- Other government capital grants;

- sponsorship monies for capital projects; and
- donated fixed assets (i.e. from LA).

There has also been a clarification of the SOFA headings and what should be included within these.

GAG carried forward

Academy trusts who still have the restrictions on their GAG carried forward must include a note, however this is simply a narrative stating the limit and that it has/has not been exceeded (see Coketown example accounts).

The EFA have also confirmed the funding that is to be included under the GAG classification as being:

- school budget share;
- funding for rates;
- LACSEG;
- Insurance;
- teacher threshold; and
- mainstream grants.

It does not include:

- pupil premium; or
- start-up grants.

Related party transactions

The accounts direction 2012/13 has gone into considerable detail regarding the issue of related party transactions. It has detailed exactly what comprises a related party and what the necessary disclosures are.

It has also confirmed that the disclosures regarding the remuneration of both Principal and staff governors are still required.

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Multi academy trusts

The EFA has replaced the detailed disclosures previously required for multi academy trusts with summary disclosures of costs and funds balances for each academy.

A single set of accounts is required combining results of all academies in the trust together with the following:

Central services

An additional note regarding the central services which the trust has made to its constituent academies is required which details:

- type of central services provided;
- trust's policy for charging (flat % of income/pupil numbers); and
- actual charges placed on each academy.

This is to be inserted after the note on Staff Costs.

Defined benefit pension scheme

The Defined benefit pension scheme note can be:-

- aggregated; or
- disclosed separately for each academy.

Governors' report

The Governors report for a multi academy trust is likely to focus on the performance and objectives of the trust as well as including information about the individual academies.

GAG carried forward

If the limits apply to the multi academy trust or any of its constituent academies the narrative note referred to previously must be included.

Funds

Instead of the detailed notes previously required, the EFA has simplified its requirement to a summary for each academy to be included at the foot of the multi academy trust's funds note.

This should include:

- the share of funds attributable to each academy at the end of current period (other than pension reserve, fixed asset reserve and endowment fund);
- a narrative describing the action taken by any academy in respect of any funds in deficit;
- the amounts spent during the period by each academy on:
 - teaching and educational support;
 - other support staff;
 - educational supplies; and
 - other costs.

Regularity and propriety

The accounts direction includes considerable information regarding the concept of regularity and propriety.

It gives advice to the accounting officers in order to assist them in making the statement on regularity, propriety and compliance which is required from them.

There is also guidance for the academy's auditors regarding the evidence which is required to support their opinion on regularity.

Other

The accounts direction 2012/13 also includes checklists for:

- newly converted academies;
- management and governors regarding the preparation and audit of the academy's accounts; and
- what is to be submitted to the EFA and when.

The EFA have introduced a date when academies must display accounts on their website, being 31 May 2014.

Academy contacts

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