



Education & Skills
Funding Agency

Submitting your audited financial statements

Guide for all academy trusts

October 2020

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Introduction

This guide explains how to submit your academy trust's audited financial statements, auditor's management letter and your annual summary internal scrutiny report to the Education and Skills Funding Agency (ESFA). This includes completing an online form – the accounts submission coversheet.

It is important that you provide us with accurate information on the coversheet. We use the information you provide from your audited financial statements, auditor's management letter and annual summary internal scrutiny report to understand any significant issues faced by your trust and by the sector more widely. This is part of our assurance framework for the use of public money.

We expect benefits for you using the accounts submission coversheet: being able to provide more timely feedback on our findings, both to your trust and to the sector more widely. Additionally, you may find a saved copy of your submitted coversheet useful to give to your board of trustees as it provides a useful summary and highlights key areas of interest.

Academies accounts direction requirements

The [Academies Accounts Direction](#) sets out what is expected from academy trusts. This includes:

- what documents must be submitted
- what information these documents must include
- which trusts are in scope
- the submission timetable

Submission arrangements

We have retained the same submission process as last year and you will be able to submit your audited financial statements, auditor's management letter and annual summary internal scrutiny report on the accounts submission coversheet itself. This will continue to make it easier and quicker for trusts to submit these documents in one place.

You should ensure that all of these documents are uploaded at the same time to the accounts submission coversheet in only Portable Document Format (PDF) format and by the deadline of 31 January 2021.

Please note that your audited financial statements are not the same as your [accounts return](#), details about which have now been published.

Accounts submission coversheet

You will need to complete an [accounts submission coversheet](#) and upload all three documents on the coversheet. You will need to have your audited financial statements, auditor's management letter and findings from your annual summary internal scrutiny report to hand when completing it. Further guidance on how to complete the coversheet is set out [below](#).

Part 1: accounts submission coversheet access and navigation

Before you access the coversheet

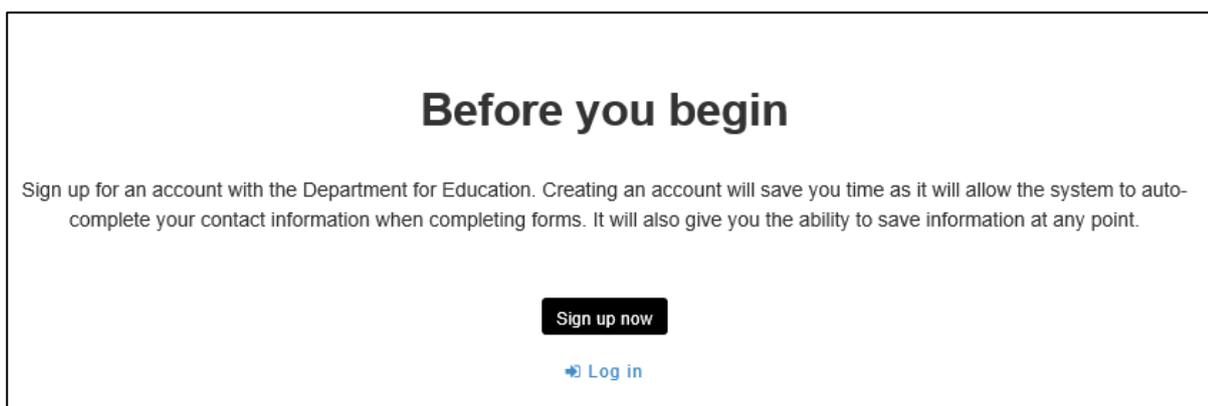
Ensure your web browser (the software you use to access the internet) is the latest version available. Using an outdated browser may mean the coversheet will not display correctly. You can find more information on upgrading your browser on <https://www.gov.uk/help/browsers>

Access

You can access the coversheet from the [Academies Accounts Direction](#) page.

Registering and logging in

If you have not previously used one of our online forms, then the first time you access the accounts submission coversheet you should register and log in. You will need to create a password when you register through 'Sign up now'.



Moving around the coversheet

You can use the tab key on your keyboard to move to the next question once you have completed your response, or you can click through the form using your mouse.

To make sure you do not lose any information when moving between sections, you should fill in each section in sequence and select 'Save' then 'Continue' when complete.



You should not use the back arrow in your browser. You can also move between sections by selecting the appropriate tab at the top of the screen.

Academy trust accounts submission coversheet 2019 to 2020

Organisation details Audit findings Governance Specific areas of interest
Financial statements Management letter Internal scrutiny report Your details Summary

Occasionally, when information is processing / uploading, you may experience some delay in moving from screen to screen. Please wait for the screen to load; you will receive an error message if there is a problem.

Exiting the coversheet

If you have logged on, you can exit the coversheet at any time before submission. You will have to use your login details when you re-enter the system, but the information you have entered will be saved and you can continue completing the coversheet. If you have completed the coversheet without registering and logging in, you will not be able to save your progress.

If you wish to exit the coversheet without saving, close the browser window.

Part 2: Completing the coversheet

Overview

The coversheet has 9 sections:

1. Organisation details
2. Audit findings
3. Governance
4. Specific areas of interest
5. Financial statements
6. Auditor's management letter
7. Annual summary internal scrutiny report
8. Your details
9. Summary

The coversheet has been designed to be straightforward and intuitive, with help text and images from the online form provided throughout this guide. However, you may need to refer to the notes below when completing each section.

To make the process more efficient for you, please round financial numbers to the nearest thousand, and do not use commas, noughts or pound signs, for example, '£50,131' should be entered as '50'.

1. Organisation details

This section identifies your organisation using the company number. It also asks for the name of your audit firm.

Company number

You can get this from the front page and / or balance sheet page of your accounts. You can also search [Companies House](#) using their beta site or free Web Check service. Ensure there are no spaces either before or after when you input your company number.

On entering your company number, you must click the button 'Search for organisation' to autofill the name of your academy trust.



The image shows a screenshot of a web form. It features a white rectangular text input field at the top. Below it is a green rectangular button with the text 'Search for organisation' in white. The button is highlighted with a red border.

You should check the organisation name. If it is not correct, you should re-confirm your company number. In the unlikely event your organisation's name does not appear, you will need to complete the ESFA's [enquiry form](#).

Name of audit firm

You can identify your audit firm's name from the 'independent auditor's report on the financial statements in your accounts. Select the name of your audit firm from the dropdown list. If your audit firm's name does not appear, select 'Other (please specify)' from the list. A free text box will appear and you can type the full name of your audit firm. Click in the next field to continue.

Name of audit firm

2. Audit findings

This section asks for information on your independent auditor's overall opinion on your accounts, findings on regularity and on any modifications to your accounting officer's statement on regularity, propriety and compliance.

Audit opinion

The auditor will give an opinion on your accounts in accordance with International Standard on Auditing (UK) (ISA) 700. You can get this from the 'independent auditor's report on the financial statements' in your accounts.

You should consult with your auditor if you are unsure which opinion has been given, or the basis of any qualification or modification.

Any opinion other than 'unqualified' would also have been raised with your trustees by your auditor. If your auditor has given anything other than an unqualified opinion, then you will be prompted to tell us the nature of the qualification or modification, and underlying reason(s) from the list provided. You will also need to tell us if the accounts have been prepared on a going concern basis and if the auditor has noted a material uncertainty or emphasis of matter.

Auditor's regularity report

Any matters by exception raised by your auditor will be disclosed in the conclusion at the end of the 'independent reporting accountant's assurance report on regularity' in your

accounts, as shown below. You will be prompted to tell us the reason(s) your auditor has raised regularity matters from the list provided.

Conclusion

In the course of our work, **[except for the matters listed below]** nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period **[insert the start date of the period for which the financial statements have been prepared]** to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1:

Matter 2:]

State the monetary amounts if known.

**‘Independent reporting accountant’s assurance report on regularity’ – from Coketown model
(in Academies Accounts Direction)**

Statement on regularity, propriety and compliance

Any modifications to your accounting officer’s statement on regularity, propriety and compliance will be identified at the end of this statement, as shown below. You will be prompted to tell us the reason(s) for any modified statements from the dropdown list provided.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- **Financial issues**
[X]
- **Non-financial issues**
[X]

State the monetary amounts if known.

‘Statement on regularity, propriety and compliance’ – from Coketown model

3. Governance

This section asks for information about the internal control recommendations made in the independent auditor's management letter. It also requests information about internal scrutiny and your assurance arrangements.

Auditor's management letter

You must enter the number of control recommendations reported by your auditor within their management letter. Where they have reported any control recommendations, you will be prompted to provide further information. If they have not reported anything then you should enter '0'. If your auditor had made recommendations that have been reported again in this year's management letter as they were not implemented in the previous year, you need to tell us the number. If all have been implemented from the previous audit enter '0'.

You must tell us whether your auditor has assigned a priority rating to each finding. Where the auditor has applied a rating system, please tell us how many recommendations have been assigned to respective high, medium, low or equivalent priority ratings. We require this rating for both new recommendations and any recommendations carried over and / or not implemented from last year's management letter.

ESFA approval and declarations

You must also tell us any instances where timely prior approval had not been obtained from the ESFA, or when an appropriate declaration has not been made for relevant transactions and not reported in the regularity report. Section 4.3 in Annex B of the [Academies Accounts Direction](#) outlines where prior requests for approval are required.

If prior approval has not been obtained, your auditor may recommend you seek retrospective approval. You must tell us about all transactions where timely ESFA prior approval had not been obtained, regardless of the authority that followed. You will still need to tick all the ones that apply where retrospective approval has been requested from the ESFA but not yet received, and where retrospective approval has subsequently been given.

Internal scrutiny

We have included some questions on your approach to internal scrutiny, including how you deliver assurance through independent challenge as well as asking if you have an audit committee and if it meets at least three times a year.

4. Specific areas of interest

This section asks for information on specific areas of your accounts, namely severance payments and related party transactions. Please round and abbreviate all numbers to the nearest thousand, and do not use the comma, noughts or pound sign (for example, you should input £6,401 as '6').

Severance payments

ESFA review a sample of severance payments to ensure trusts are following correct procedures prior to making such payments. The sample includes non-statutory / non-contractual payments that require ESFA approval and those that do not require ESFA approval.

You must also tell us whether you have made any non-statutory / non-contractual severance payments during the period, irrespective of value. If so, you will be prompted to tell us the total amount of non-statutory / non-contractual severance payments, the total number of individual payments, and the individual values, limited to the top five payments. You can get this information from the 'Staff' note in your accounts.

Supply staff costs	-
Staff restructuring costs	40
	3,556

Section a. of the 'Staff' note – from Coketown model (£'000)

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,000 (2019: £nil). Individually, the payments were: £1,000, £4,000, £4,000 and £6,000.

Section b. of the 'Staff' note – from Coketown model (£'000)

You should not assume that your staff restructuring costs are entirely made up of non-statutory / non-contractual severance payments. Most severance payments to employees will include statutory / contractual elements, which must not be included. In the above example, it would be reasonable to assume that as £15,000 of the total staff restructuring costs of £40,000 is accounted for by non-statutory / non-contractual severance payments, that the balance of £25,000 is attributable to statutory / contractual elements.

Related party transactions

Our focus is on related party transactions entered into by trusts after the 1 April 2019 and reported in your 2019-20 financial statements either individually or as a cumulative value with the same supplier that are in excess of £20,000. You will need to identify the

transaction award date as well as refer to the 'related party transactions' note in your trust's accounts. You may also need to add a series of transactions to reach the figures required.

If you answer 'Yes' to entering into any related party transactions, we ask you to provide the total expenditure with all related parties, and the number of expenditure transactions disclosed in your accounts, but only for those transactions where either individually, or as a cumulative value with the same supplier exceed £20,000. You will then be prompted to provide further details about your trust's top five expenditure transactions, namely value and if the related party is a sponsor of the trust and a description of the type of sponsor (such as private individual, company or university, etc.). For those related parties that are not a sponsor, we also ask for a description of the type of entity. You will also be prompted to declare if prior approval been sought from the ESFA for these transactions.

A typical example of an expenditure related party transaction is an academy trust purchasing goods or services, supplied by an organisation in which a director and academy trust trustee is the same individual. In the example below, we would expect you to record '35', which represents the total expenditure value for this specific related party in the period, and 'private company' as the sector.

Expenditure Related Party Transaction

DEF Limited – a company in which Mr C J Goodyear (a trustee) has a majority interest:

- The academy trust purchased computer equipment from DEF Limited totalling £35,000 (2019: £nil) during the period. There were no amounts outstanding at 31 August 2020 (2019: £nil)
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Goodyear neither participated in, nor influenced
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook
- The element above £2,500 has been provided 'at no more than cost' and DEF Limited has provided a statement of assurance confirming this

'Related party transaction' note – from Coketown model

In completing this section, please do not include trustees' remuneration and expenses, which are dealt with under a separate note to the accounts.

5. Uploading your financial statements

Format

You must scan the signed versions of your audited financial statements and auditor's management letter.

Your audited financial statements, your auditor's management letter and your findings from your internal scrutiny programme of work should each be a separate scanned file. There will therefore be three scanned files that are required to be uploaded.

Please check that all pages are included within all three scanned files, are all readable and not password protected.

Document requirements

To avoid delays in processing your accounts and additional queries and follow up, it is important to use the instructions and naming conventions below.

Naming convention

Please name your documents according to our standard convention.

Naming convention – examples

The accounts direction provides model accounts for Coketown Academy Trust Limited (company number: 01234567). That trust would submit the following three documents:

- 01234567 Coketown Academy Trust 19/20 FinStat
- 01234567 Coketown Academy Trust 19/20 ManLet
- 01234567 Coketown Academy Trust 19/20 ISR

Uploading your financial statements

For your audited financial statements use:

Company number Trust name 19/20 FinStat

Click on the 'Browse...' button and navigate to the location where you have saved your document.

5. Upload your financial statements

Please upload your signed, audited financial statements (maximum file size 40MB):

Browse...

The upload may take several seconds, depending on the upload speed of your internet connection and the size of the document. Please do not close your browser during this time.

Once the upload is complete, the following details will appear on the screen.

01234567 Coketown Academy Trust 1920 FinStat.pdf	Remove file ✓
---	---------------

Click on 'Continue' to move onto the next screen

6. Uploading your auditor's management letter

For the audit findings report use:

Company number Trust name 19/20 ManLet

Click on the 'Browse...' button and this will take you to where you have saved your document.

6. Upload your management letter Please upload your auditor's management letter (maximum file size 40MB): <input type="button" value="Browse..."/>

The upload may take several seconds, depending on the upload speed of your internet connection and the size of the document. Please do not close your browser during this time.

Once the upload is complete, the following details will appear on the screen.

01234567 Coketown Academy Trust 1920 ManLet.pdf	Remove file ✓
--	---------------

Click on 'Continue' to move onto the next screen

7. Uploading your annual summary internal scrutiny report

For the findings from your internal scrutiny programme of work use:

Company number Trust name 19/20 ISR

Click on the 'Browse...' button and this will take you to where you have saved your document.

Upload your annual summary internal scrutiny report
Maximum file size 20MB

The upload may take several seconds, depending on the upload speed of your internet connection and the size of the document. Please do not close your browser during this time.

Once the upload is complete, the following details will appear on the screen.

01234567 Coketown Academy Trust
1920 ISR.pdf Remove file ✓

Click on 'Continue' to move onto the next screen

8. Your details

This section asks for details of the person submitting the coversheet and their role in the trust in case we need to contact you with queries. This does not have to be the accounting officer.

Name and role of accounting officer

Where the person completing the form is not the accounting officer, please add the first name and surname of your accounting officer in the box provided. The name of your accounting officer should correspond to the governance information you have submitted to DfE's ['Get Information About Schools'](#) service.

Resubmission

You will also be asked if the accounts submission coversheet is a resubmission and if answered 'yes' to this question you will be prompted to note the reason why.

9. Summary

This section shows your answers to the questions in the coversheet. You have the opportunity to check these before submitting.

Declaration

You must confirm that you have completed the coversheet to the best of your knowledge.

Where the accounting officer has not completed the coversheet, we require confirmation that the accounting officer is sighted on the information submitted.

Submitting the coversheet

At the bottom of this section, you have the option to submit the coversheet and access a printable version. If you need a draft version of the coversheet before you submit, click the 'Printable Version' link and print / save a copy.

[Printable version](#)

Confirmation of receipt

Following submission, you will receive a confirmation email. This will include a PDF copy of your coversheet. Depending on the level of internet traffic, there may be a slight delay in receiving this email. Please also check your junk / spam email folders if appropriate.

Other considerations

These submission arrangements do not remove the requirement for you to publish your accounts on your trust's website by 28 February 2021, and to file your accounts with Companies House no later than 31 May 2021. Further information is given in section 1.5 of the [Academies Accounts Direction](#) and the [Eileen Milner letter](#) to Accounting Officers dated 26 August 2020, which provides an update to the timetable from the published Academies Accounts Direction.

Queries

If you have a technical issue with the accounts submission coversheet, please use the feedback link that is available at the top of each page. You must select the accounts submission cover from the drop-down list of online forms.

Please use ESFA's [enquiry form](#) if you have queries about submitting your accounts that have either not been answered within this guide or the [Academies Accounts Direction](#).



Education & Skills
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