



Minutes

Academies finance and assurance steering group

10 June 2014

NASBM offices, 53 Butts Road, Coventry, CV1 3BH – 11am to 1pm

Academy representatives

Mark Aldridge	Hockerill Anglo-European College
Adrian Bowater	Walsall Academy
Gareth Dawkins	Bradford Academy
Andrew Dodd	NASBM
Julie Evans	Martham Primary and Nursery
Steve Lester	St Peter's Catholic High School
Margo Muris	Alec Reed Academy
James Nicholson	United Learning Trust
Liz Walters	NASBM
Mike White	Bartley Green School

Education Funding Agency (EFA)

John Rawsthorne (Chair)	Deputy Director, Planning & Performance Management
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Apologies

Val Andrew	Association of School and College Leaders
Sarah Bagshaw	St Bede Church of England Primary Academy
Amanda Bennett	The Greetland Academy
Chris Crowther	Unity Academy
David Hampson	Tollbar Academy
Chris Hutton	City of London Academy & FD Forum
Martin Latham	Robinswood Primary School
Ian May	Baker Dearing Educational Trust
Stephen Morales	NASBM
Amanda Rawson	The Greetland Academy
Barry Walder	The Charter Academy

In attendance

Jonathan Daniels	Department for Education (by dial-in)
Sally Flett	Education Funding Agency
Alyson Gerner	Education Funding Agency
Louise Hague	Education Funding Agency
Donna Lewis	Department for Education
David Massey	Department for Education
Christina Thomas-Lewin	Education Funding Agency

Item

1. Attendance and apologies

The chair welcomed everyone to the meeting, introductions were made and apologies noted.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of the meeting held on 6 May 2014

The minutes were accepted as an accurate record of the meeting.

Comments

Timing of papers for the previous meetings.

Actions

No	Status	Details
1	Complete	Meeting arranged for today
2	Carry forward	Discussions still taking place but will share accordingly
3	Complete	Adrian Bowater provided a list of volunteers for the RPA telekit
4	Complete	Steve Lester shared information built into the development policy.
5	Complete	Had volunteers, further update under AOB
6	Complete	Testing day organised, further update under AOB
7	Complete	Meeting with chairs scheduled today at 2pm

4. Academies Financial Handbook (AFH)

Further to discussions from the previous Steering Group meeting in May, the group followed up on outstanding issues and agreed the final version for recommendation to the EFA's Chief Financial Officer subject to final changes set out below.

Steve Lester provided an overview of the final changes in the AFH and put it to the members for their recommendation; usability, governance, financial control and audit, timing issues and continuing involvement. Next steps are to go to EFA, DfE, and Treasury for final signoff.

David Massey provided an overview on the two outstanding issues from the previous Steering Group meeting regarding related party transactions (although further detail provided by Jonathan Daniels later in the notes) and the staff confidentiality clause.

Related Party Transactions (RPTs) – a paper will be sent to the Permanent Secretary to respond by the end of the week to form a final decision on changes to be made to RPTs. Ministers will then be asked to confirm the changes. Approval and publishing is set to take place over the next two and a half weeks to ensure the new AFH is available at the end of June.

Confidentiality clauses in staff contracts – Policy related to clauses and recommendations from the Public Accounts Committee (PAC). There will be a clearer position over the next week on this and how this will be interpreted in the AFH.

David Massey's latest paper also identified one other minor change around wording in the AFH that raised some concerns. The paragraph referring to accounting officers being a member of their Audit Committee has been altered for the 2014 version but is likely to change in future publications.

When asked if the Steering Group wished to 'approve' the AFH (subject to the two changes above being finalised), the point was raised again about whether the Steering Group members had the delegated authority to 'approve' EFA publications and it was felt by members that their role was to moderate, influence and make suggestions to improve the products being produced, as ultimately it would be signed off by the EFA Chief Financial Officer (CFO) and Lord Nash.

Action 1: Meeting this afternoon with the Chairs to update the Terms of Reference of the Working Group/Steering Group and circulate to all members for comment before the revised version is published on Gov.uk.

Action 2: Future papers must not contain the recommendation for Steering Group members to 'approve' future products but to make recommendations to CFO and then to the Ministers.

Jonathan Daniels provided a more detailed update on where things have got to on RPTs. There is a wider interest in the policy initiatives generally and how this can be disseminated before it gets into the handbook.

How do academies ensure there are systems in place and also taking in to consideration any RPTs with external auditors?: A webinar is scheduled for July to provide further information to academies.

Looking at examples of what falls outside the rules and encouraging academies to be transparent: Academies should refer to the development model online and what's expected re the statement of assurance and make clear through the AFH the link into RPTs. Academy trusts to bear in mind and highlight obligations to provisions, and there should be sanctions in place re RPT and Financial Notices to Improve (FNtI).

Clarify outcomes of breach including transparency, exceptional and unexceptional RPTs: A decision is to be made by end of the week. Amendments to be made to the AFH and cleared with Lord Nash.

Action 3: Working Group 1 will continue their conversations on the AFH to agree the wording on RPTs and the staff confidentiality clause and a final version will be shared with Steering Group members for information.

Mark Aldridge wished to raise some other points on the AFH but the changes are too late for this publication but will be considered at the next iteration:

- 1.5.14 Composition of their Board – academies lack control over membership (particularly in rural areas)
- 4.1.2 Letter of engagement – why are two letters required?
- 4.7.3 Costs re smaller academies
- 2.3.3 Must do report on accruals
- Annex C 'Musts' will continue to feature in the AFH.

The Steering Group accepted the recommendations on the AFH, subject to the final changes being shared in action 3 above.

5. Accounts Return August 2014

Mike White – the good news is that there are not substantive changes; the changes are to the format and the land and buildings tab. The information is more or less the same as being asked for by the academies. The guidance and format will be published by the end of the month. It is planned that the return will be updated in August to take account of the academies that have opened since the beginning of June.

Changes

- 1) Finance tab split to three tabs – SoFA, Balance Sheet and Other
- 2) Key change – identifies when an academy moves trusts
- 3) Change CPIDs to UPINs has been built into the form
- 4) Land and buildings tab, extend August accounts return to add NAO concerns
- 5) Benchmarking tab – still under development, no change for single academies but could be changes for multi-academy trusts as it is a huge task to manually complete this in its current state

Action 4: SG to recommend August Accounts Return for final sign-off, subject to final amendments.

6. Any Other Business

Gareth Dawkins – Accounting Officer letter statement 'to go to the board' is not on the Business Cycle, the direction needs to be specific.

Suggestion for Working Group 1 re AFH 1.5.5 – Summary of key issues to accounting officer needs to be added and an overview of what the auditor should focus on.

Donna Lewis – Budget forecast return goes live on 30 June 2014. Academies may experience difficulties accessing the online form using Internet Explorer 8 and recommends an alternative internet browser such as Safari or Firefox.

7. Date of next meeting

Tuesday, 16 September 2014

Department for Education (DfE) London office, Sanctuary Buildings, meeting rooms LG03 & LG04

The meeting closed at 12:50.