



Education
Funding
Agency

Education Funding Agency
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Coventry
CV1 3BN

Tel: 0370 000 2288
[efa-enquiry-form](#)

9 December 2016

Dear Accounting Officer

I am writing to you about your accounts, for the year to 31 August 2016. I would be grateful if you could give this letter your personal attention, and discuss it and the key milestones with your finance lead, your auditors, and your board of trustees or audit committee.

You may well be aware that Parliament has been taking a very close interest in the Departmental accounts which include the consolidation of all academy trust accounts. The Departmental accounts have to be presented on an April to March year whereas academy trusts prepare their accounts on an academic year basis. This brings an inherent level of error into our accounts and we have concluded that we need a different way forward. So earlier this year we agreed an alternative approach with HM Treasury, Parliament, and the National Audit Office. In essence we will now produce a separate academy sector report and accounts, covering each academic year. The first such report will cover the year to 31 August 2016, and we expect to publish it in summer 2017.

We see this as a very positive development. And it is an opportunity to set out the academy story in a clear and transparent way. However timely and accurate accounts returns from academies are vital to make a success of the first sector account. We know that 94% of you send your returns in by our deadline and we are very grateful to those of you who do that. However, we need to get very close to 100% so if you think that you are unable to meet the deadline can you seriously consider why that should be and if you need support from us then let us know now. We always review any case where accounts deadlines are missed to see whether there is an underlying weakness in financial management capability at academy trust level and we will do that this year as well.

We need to lay the academies sector annual report and accounts in June 2017, around 6 months sooner than we have in the past. We will not be able to do this without timely accounts returns. If we don't succeed, then we risk having to implement other options, for example requiring each trust to produce audited

accounts to a 31 March year end. I know such an approach would not be welcome to you, and I very much want to avoid it.

So, in particular:

- a) Please ensure that your [audited annual report and accounts](#) are signed off and submitted to the EFA by 31 December 2016, as set out in our guide to submitting your accounts;
- b) Please ensure that your [accounts return](#), which is derived from the accounts, is approved and submitted by 31 January 2017 at the very latest (21 February for trusts preparing short period of accounts). In consultation with representative bodies, we have developed a new online form for this return, which will be much easier to use than the previous Excel spreadsheet, and reduces the risk of errors or mis-postings;
- c) If the EFA raises any **queries on the return**, then please do all you can to respond quickly and completely. The timetable is tight, but it will enable us to get into a cycle of reporting that will work well.

We have a range of [training videos and webinars](#) to help you. We have also been working with auditor representative bodies so that they are well briefed on what needs to be done.

We will need to accelerate this process even further in 2017, for the 2016/17 accounts, and we are working with representative bodies on how to achieve this.

I know this is a very busy period for you but this is essential work and your co-operation in this will be much appreciated.

Thank you very much for your help.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Lauener', with a long, sweeping flourish at the end.

Peter Lauener
Chief Executive