

Welcome to Focus On... our special quarterly bulletin looking at issues relevant to particular sectors and topics of interest.

In January's Focus On... Education, we look at how governors are the key to improvement for academies and free schools, while also highlighting the need for academies to be on their guard against fraud – and the measures they can take to protect themselves. Meanwhile, the principal of one academy has highlighted the financial freedoms that it currently enjoys as being one of the key benefits of converting. Finally, we look at how new legislation is on its way which will cut the costs of every academy by hundreds of pounds next year.

If you would like to discuss any aspect of our specialist audit and accountancy services for schools, please contact Emma Murray, Audit and Compliance Partner at Nicholsons, at [emma.murray@nicholsonsga.co.uk](mailto:emma.murray@nicholsonsga.co.uk) or phone **0845 27 66 555**.

## Governors key to improvement, says CBI

A leading business organisation has called for the right to time off for governors' duties to be extended to academies and free schools.

In a new report, the CBI said that if schools were to make the most of their new freedoms and "help every child fulfil their potential", school governing bodies need to improve.

It said: "Strong leadership and governance are key to ensuring successful education outcomes for

young people. So we need to get them right. With the welcome moves towards increased autonomy for headteachers and schools, a strong support structure becomes even more important – and this structure includes the governing body. Action is needed to bring every governing body up to the standards of the best, then to push standards up further."

Neil Carberry, CBI director for employment and skills policy, added: "Handing control over education to schools themselves is the right move.

"We must put the right foundations in place to make the most of greater freedom for schools. It can only work if the quality of governing bodies is high and Ofsted holds them to account. We need strong leadership and even stronger governance."

The CBI report calls for:

- a new focus on school governance, on the basis that better school governors are the key to making school reform work
- training and support to be available and encouraged for all governors
- the right to time off for governors' duties for to be extended to academies and free schools
- more to be done to attract individuals from business to serve as governors
- schools and businesses to learn from each other to improve their own operations, especially around board composition, rigour in holding to account and succession planning
- ensuring that frameworks and structures are in place to support and create greater accountability, including a renewed focus on governing bodies.

As advisers experienced in working with academies, Nicholsons can provide advice and support to help governors more fully understand their responsibilities and help their academies operate more effectively, including by providing training that cover key governor responsibilities. For more information, please contact us.



## Academies warned to be on guard against fraud

New guidance has been issued to help academies strengthen their financial controls and reduce the risk of fraud or financial irregularities.

The Department for Education (DfE) has prepared a 10-page checklist for academies setting out dozens of potential indicators of fraud, ranging from the behaviour of an individual to poor management information systems and missing documents.

Other measures designed to reduce fraud risks

highlighted in the guidance include:

- Ensuring anti-fraud and whistleblowing policies are in place, regularly updated and communicated to staff;
- Providing regular anti-fraud awareness training for finance staff;
- Ensuring financial controls are regularly assessed and are well designed and implemented;
- Reviewing processes for references and background checks on new employees.

The department said: "To support our work on fraud and financial irregularity, we also want to hear ideas and actions from academies that might help to support preventing fraud financial irregularity. If you have any suggestions, please send them to our enquiry service."

At Nicholsons, our academies specialists can help put in place robust financial controls and advise on other practical measures to help reduce the risk of fraud. For more information, please contact us.

## Principal highlights financial freedoms

An academy principal has highlighted the freedom to spend school's funds in line with its own priorities as a key benefit of the status.

Ann Addison made her comments in an interview on the Department for Education website, published in November. She is principal of Healing Science Academy, on the outskirts of Grimsby, which was rated as outstanding by Ofsted in 2009, when it was called Healing School, and which converted to academy status a year later.

Mrs Addison said: "As a foundation school, we already had a large degree of autonomy, but I was keen to take this even further, to gain as much freedom as possible to run our school in the best interests of our pupils.

"One of the things that really appealed to me about becoming an academy was that rather than receiving our funding via our local authority, with them holding some of that back to pay for certain services, we now receive all of our funding direct.

"This means that we as a school can decide on what services we need, how to get best value for money and what are our spending priorities.

"Since becoming an academy, we have been able

to employ an extra maths and an extra English teacher, which has made a real difference to pupils, who are now taught these key subjects in smaller classes. We've also built a much needed extension to our dining facilities, which means that our senior pupils get a much better dining experience."

Mrs Addison said that academy status also meant that the school could tailor its curriculum much more closely to students' needs, adding: "Our most academic students get a rigorously academic education. For those pupils for whom this approach would not work so well, alongside the main academic subjects, they can study a range of BTEC qualifications.

"Every child is known and valued and nurtured throughout their five years here. The school has high expectations of all pupils, and helps everyone to achieve their best. Because pupils are happy and well behaved, teachers can teach and don't have to worry about disruption in their classrooms."

To assist academies in maximising the value of their financial freedoms, Nicholsons can provide ongoing advice and a wide range of services to support academies in making best use of their resources to achieve priorities and improve school performance. For more information, please contact us



## National insurance bill to be cut

Legislation is on its way that will cut the costs of every academy by hundreds of pounds in 2014.

The National Insurance Contributions Bill, which was introduced in the House of Commons on 14 October, will cut national insurance contributions by £2,000 for up to 1.25 million employers from April 2014 through the new Employment Allowance, originally announced in the March 2013 Budget.

Around 450,000 businesses – or one third of all employers – will be taken out of paying national

insurance contributions altogether. Up to 35,000 charities with employees are also expected to benefit.

Employers can claim the allowance by confirming their eligibility through their regular payroll processes, ensuring that up to £2,000 will be deducted from their employers' national insurance liability over the course of the year's PAYE payments.

While the national insurance reduction will be welcomed by employers, regular changes to payroll

arrangements – including additional reporting requirements under Real Time Information – can create extra pressures on employers, particularly newly converted academies getting to grips with responsibilities previously dealt with by local authorities.

Nicholsons offers cost-effective outsourced payroll services as a fast, efficient alternative to dealing with payroll in-house, delivering the value for money that academies look for. For more information, please contact us.

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