



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

In the Autumn term's Focus On... Education, we have a reminder about financial deadlines and SORP 2015 as well as news that David Cameron believes every school should be converted into an academy. We learn about fair funding and discover how academies raise performance in the poorest areas and also meet a member of the Nicholsons Education team.

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@nicholsonsca.co.uk or phone **01522 815100**.

Financial deadline reminders

The summer holiday is now nothing more than a memory, and whilst students and staff are settling into the first term of a new school year, academies are being reminded that there are only a few months left for them to submit financial information.

Before the summer, the Education Funding Agency (EFA) issued its latest Academies Accounts Direction. The document provides academy trusts and their auditors with a reference pack for preparing and auditing financial statements for the accounting period ending 31 August 2015, which must then be submitted by 31 December this year.

The Charity Commission issued its new Charities Statement of Recommended Practice (SORP) last year, and it came into effect for accounting periods beginning on or after 1 January 2015.

This therefore means that there are two possible versions of the Accounts Direction for accounts with a year end of 31 August 2015. One is based on SORP 2015 and the other is based on the previous SORP (SORP 2005). The version a newly formed academy needs to use depends on its date of incorporation.

The latest guidance includes the following changes:

- Auditors need to inform the National Audit Office and EFA if they are issuing a qualified audit report or a modified regularity opinion to an academy trust, after firstly discussing this with trustees
- A new section about value for money has been introduced into the academy's governance statement, replacing the requirement for academy trusts to publish separate 'value for money' statements
- Clarification that the Academies Accounts Direction applies to all types of academy trust with a funding agreement with the Education Secretary
- Re-emphasis in the governance statement that academy trusts must carry out a governance review in their first year and repeat this annually as a matter of good practice
- A requirement for the individual values of any non-statutory/non-contractual severance payments to be disclosed, regardless of value
- Clarification that disclosure of trustee remuneration includes employer pension contributions
- A new section on connected categories. The guidance says: "Connected charities may be a complex area and so we recommend that academy trusts take professional advice"

At Nicholsons, our specialist team can provide expert advice to anyone seeking clarification about the implications that the new SORPs may have for them. For more information please contact us.



PM says every school should be an academy

Prime Minister David Cameron has said 'every school in the country' should be moved out of council control and converted into an academy.

Reflecting on the first 100 days of the Conservative Government since May's General Election, he wrote that this approach to education would grant headteachers 'the freedom to run their own schools' while setting their own curriculum and pay levels.

The Daily Telegraph reported David Cameron stating: 'I want every school in the country to have the opportunity to become an academy and to benefit from the freedoms this brings. So we will make it a priority to recruit more academy sponsors and support more great headteachers in coming together in academy chains. In doing so, we can extend educational excellence and opportunity to every school and every child in our country.'

At Nicholsons, our academies specialists can provide all the expertise schools need to prepare for, and go through, the process of conversion to academies, along with ongoing advice and services to support academies in managing their own budgets and making the best use of their new financial freedoms. For more information about our services for academies, please contact us.

Fair funding formula will be ready in two years

Education secretary Nicky Morgan has informed school leaders that a national fair funding model will be ready for September 2017.

In a speech delivered to delegates at a summer conference held by the National Governors' Association, Ms Morgan made it clear that she was "well aware of issues of inequity in our funding system" while also emphasising the Government's commitment to meeting its manifesto pledges, which will mean that the fair funding formula is made a reality.

The education secretary also noted that it was

not right for there to be "thousands of pounds difference between neighbouring authorities", highlighting that the Government had already allocated an additional £390 million for the benefit of authorities with the lowest amount of funding.

New measures taken under the Education and Adoption Bill will allow the Government to close loopholes that currently mean crucial improvements to schools are not being made. This will eliminate the risk of decision makers failing to improve educational standards in schools just because they are against the concept of academies.

The education secretary said: "Academy sponsors have huge amounts to offer here, and we will not shy away from opening more sponsored academies where schools are 'inadequate'."

Some schools will have a two-year wait before they are guaranteed to get fair funding from their local authorities. Academies, however, are already able to access wider financial benefits due to receiving funding from their sponsors and central Government, unlike schools being operated by local authorities.

Academies raise performance in poorest areas

According to a recently published report, academies in some of England's poorest communities are proving to be successful in raising educational standards and academic achievement, as well as aspirations, among their pupils.

Plymouth University and Cornwall College produced the report, which assessed six academies in the north and south of the country. Findings showed that there was a greater level of engagement and improved behaviour among pupils in the academies, when results were compared to nearby inner-city schools.

The study also indicated that there was a higher level of continued professional development of staff, which was linked to a more entrepreneurial style of leadership.

Dr Rowena Passy of the Plymouth Institute of Education, said: "The increase in the number and type of academies, together with the development of academy chains, is arguably the most significant recent development in educational policy in England.

"This study provides an insight into the challenges they face and the methods they've used to meet them."

All of the academies assessed were in areas where there were high poverty levels, as well as limited job opportunities and poor long-term employment prospects.

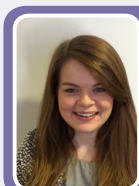
The research team interviewed principals and the staff in each of the academies in order to record what their unique challenges were and how they were tackling them.

Dr Tanya Ovenden-Hope, director of education at the Cornwall College Group, said: "We found that poor experiences of education had created an 'anti-education' culture in some places, with learning perceived to have little positive impact on life chances.

"While these might mirror the conditions surrounding inner-city schools, the isolated location of these coastal academies brought additional challenges of educational isolation, staff recruitment, squeezed budgets due to falling numbers, failing primaries, and the difficulties of engaging students and their families with education."

By the end of the 2012/13 academic year, all six academies had met the Department for Education's baseline of 40 per cent of pupils achieving five or more GCSEs graded at A* to C (or equivalent), including English and Mathematics.

Spotlight on Rebecca Betts, Senior Accountant



Rebecca Betts
Senior Accountant

Rebecca has recently celebrated seven years at Nicholsons, having started as a junior studying for her AAT at Lincoln College. She is now well on her way towards achieving an ACCA qualification which is being undertaken at home and should be completed by March 2017.

Rebecca has been with the Education team for

around three years and in this role, she is involved in a range of accounts preparation, but principally her job sees her auditing. "I'm out auditing all over Lincolnshire and often travel up to Scotland and down to London," said Rebecca. "When I am in the office, I'm finishing off my files but I do really enjoy being out and about, seeing new people and working in all kinds of new and different environments."

t: 01522 815100

f: 01522 815101

newland house
the point
weaver road
lincoln ln6 3qn

info@nicholsonsca.co.uk
www.nicholsonsca.co.uk