

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

In July's Focus On... Education, we look at the new Academies Accounts Direction and what the changes will mean for academies in terms of reporting requirements. Meanwhile, the Department for Education has issued new guidance for governors of academies, free schools and maintained schools. More than 100 new free schools have been given the go-ahead to open in 2014 by Education Secretary Michael Gove. Finally, new figures from the DfE reveal that one in four teachers now works in an academy.

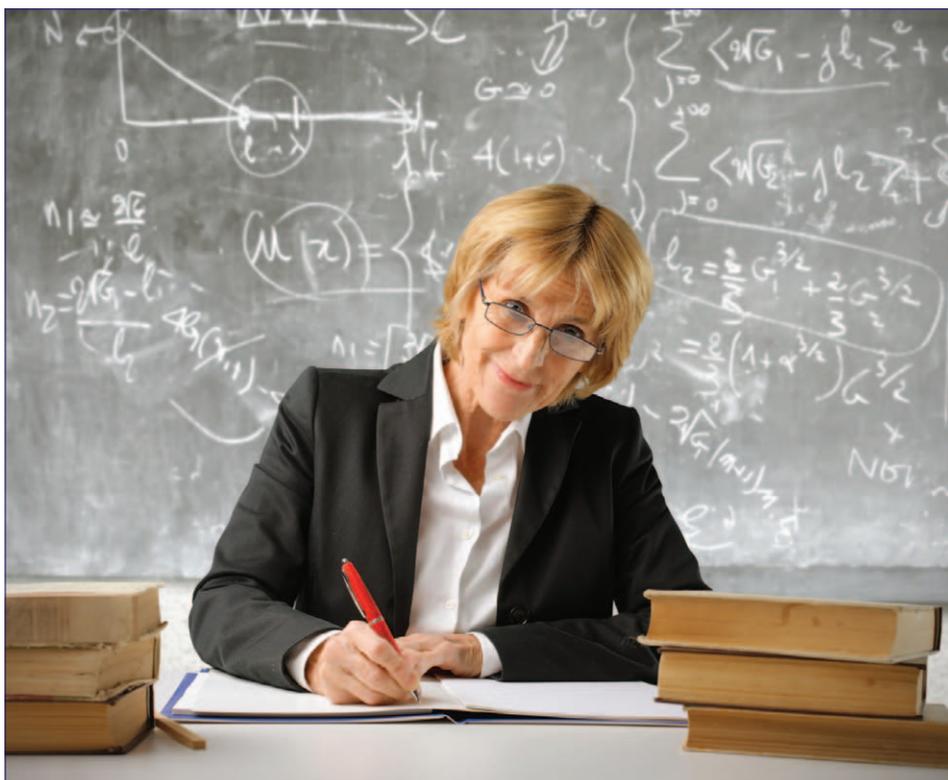
If you would like to discuss any aspect of our specialist audit and accountancy services for schools, please contact Emma Murray, Audit and Compliance Partner at Nicholsons, at emma.murray@nicholsonsca.co.uk or phone **0845 27 66 555**.

One in four teachers 'work in academies'

New statistics published have revealed that more than a quarter of teachers in England now work in academies.

The latest Department for Education (DfE) figures show that as of November 2012, there were 442,000 teachers in local authority schools and

academies, an increase of 4,000 on November 2011. The figure was also 7,800 higher than in 2005, and 36,200 higher than in 2000.



The statistics also revealed that the teacher vacancy rate was just 0.1 per cent and there were only 440 vacancies for full-time teachers.

Just over 121,000 of the teachers in England were in academies, up from 79,300 a year earlier, which the department said demonstrated "the increase in the number of heads and governors choosing to take advantage of academy freedoms".

The department added that it had invested £4 million to help existing teachers develop their skills and was cutting bureaucracy, to allow them to spend more time in the classroom.

A spokesman said: "Our reforms are freeing up teachers so they can concentrate on what they do best, and what they sign up to do – teach. It is extremely encouraging to see there are more teachers joining or, in some cases, deciding to rejoin what is a high status, attractive profession."

With their greater financial freedoms, academies have the flexibility to use budgets to expand their teaching establishment. In doing so, careful financial planning is essential, which is why working with advisers experienced in academies' issues, like Nicholsons, is a sensible step.

For more information on our services for academies, please contact us.

Reporting requirements updated with new Accounts Direction

The Education Funding Agency (EFA) has now published the latest edition of its Academies Accounts Direction, which provides guidance to academy trusts and their auditors on the preparation and audit of their annual reports and financial statements.

A supplement to the Academies Financial Handbook, it was developed in consultation with a working group of academy finance staff, with audit firms involved in the drafting of the regularity opinion audit guidance.

Having been published on 30 May, the Academies Accounts Direction 2013 was issued more than two months earlier than last year, enabling academy trusts and their auditors to review the requirements and plan their work.

According to the 'at a glance' overview published by the EFA, the key changes include:

- simplification of some of the language to set the requirements in their context and to make the document more accessible to new users and non-accountants unfamiliar with the key concepts;
- re-working of the section on the statement of financial activities to aid understanding of its purpose and constituent parts;
- additional guidance on the treatment of income including grants and donations, and on the carry forward and abatement of GAG;
- a clarification of the disclosure requirements for staff trustees;
- changes to disclosure requirements for multi-academy trusts in relation to the financial performance of individual academies within the trust, and of central services;
- improved information relating to the interlocking roles of trustees, directors and governors;
- guidance on the scope for preparing dormant accounts;

- the introduction of a date by which academy trusts must publish their accounts on their website (31 May 2014);
- full incorporation of the requirement for regularity reporting, including guidance; and
- changes to the format, ordering and cross-referencing of the chapters, and the introduction of 'bookmarks' so that it is easier to move between key topics.

At Nicholsons, we are experienced in working with academies and are ideally placed to assist governors in understanding their roles and responsibilities.

Our support can help governing bodies to build capacity and confidence in dealing with what can be a multi-million pound business and help it to operate effectively and drive improvement. For more information, please contact us.

New guidance for governors

The Department for Education (DfE) has issued new guidance for governors of academies, free schools and maintained schools.

The Governors' Handbook replaces the Governors' Guide to the Law, which applied only to maintained schools. It is available via the DfE website at www.education.gov.uk by entering 'governors' handbook' in the search function.

The handbook sets out key information on the core role, functions, responsibilities and legal duties of

governing bodies, with sources of further information signposted within the document for those who would like more details.

Links are provided to relevant regulations, guidance and resources and also to relevant legislation on the government website www.legislation.gov.uk.

The department says, however, that links will not always be to a version of legislation that has been revised to show amendments, so readers should check for updates.

At Nicholsons, we are experienced in working with academies and are ideally placed to assist governors in understanding their role and responsibilities, including for financial governance.

Our support can help governing bodies to build capacity and confidence in dealing with what can be a multi-million pound business and help it to operate effectively, drive improvement and make best use of public money. For more information, please contact us.

New wave of free schools approved

More than 100 new free schools have been given the go-ahead to open in 2014 by Education Secretary Michael Gove.



The 102 schools approved on 22 May are due to provide around 50,000 extra school places. They will join 81 free schools already open, with a further 109 aiming to open in September and beyond. In total, all currently approved free schools would deliver 130,000 new school places when full.

In total, 70 of the new applications approved were from teachers, existing schools and educational organisations and 32 from parents, community, charity and other groups.

The new schools include the XP School in Doncaster, which draws on the practices of charter schools in the USA, two National Autistic Society schools for children and young people with autism, in east Cheshire and Lambeth, and the Liverpool Institute for Performing Arts (LIPA) Free School.

The groups will now finalise their plans in readiness to open from September 2014. This includes undertaking a statutory consultation in their local area, securing their school site and taking steps to recruit their school's principal designate, with the final aim of

securing a funding agreement with the Secretary of State – which will allow the school to open.

Potential free schools have to go through a rigorous application process, including having to demonstrate clear parental demand and providing details of the individuals involved in the project, who undergo checks carried out by the Department for Education's Due Diligence Unit throughout the approval process.

The next application window to open a free school will open in September 2013.

Groups wanting to set up free schools must deliver a very high level of detail in their plans and meet rigorous criteria, including providing robust financial plans, and how the school will provide value for money.

Nicholsons is ideally placed to advise groups considering applications to open free schools and to provide ongoing support to free schools. For more information, please contact us.

t: 0845 2766555

f: 0845 2766559