



Education
Funding
Agency

Academies accounts return 2015 to 16

**A guide to approving and submitting the
online form**

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Part 1: Introduction

This guide provides explanations to academy trusts how to approve their 2015 to 2016 accounts return and how their auditors provide the assurance report and submit the accounts return to the Education Funding Agency (EFA) through the online form.

You should complete the return if:

- your academy trust is preparing financial statements as at 31 August 2016; and/or
- your trust had academies open during the year ended 31 August 2016

1.1 Return signoff

The online form will include a declaration by the trust's accounting officer. The trust should ensure that the **accounts return approver** is the accounting officer, or someone with the delegated authority to act on behalf of the accounting officer.

The online form includes a process for securing external auditor sign-off of the submitted return. This process includes the independent reporting accountant's report on the accounts return, the 'auditor's declaration'.

1.2 Submitting your return

You must submit the completed return to us by 31 January 2017. The return is submitted to the EFA when the **external auditor approver** approves the return. Further details on this process can be found within this guide.

Part 2: The academy trust approval process

2.1 Reviewing the return

The **academy trust approver** should review the content of the online form by checking each screen has been correctly populated. It is recommended that they use the 'next' button to navigate through the form as also saves the entered data.

The online form has a series of reports that should support the academy trust approver in their role. These are detailed as follows:-

- **Outstanding validation triggers** – the 'summary' menu bar includes a screen that lists any remaining validation triggers that have not been resolved. These issues will need to be cleared before the **academy trust approver** is able to approve the return. If there are no remaining validations triggers to resolve the screen will display a message to confirm this.
- **Statement of Financial Activity (SoFA)** – the 'summary' menu bar includes a SoFA, which is populated by calculated values from the various SoFA tables through the form. Trusts should be able to reconcile this SoFA to the SoFA in their financial statements. There may be genuine reasons for discrepancies, such as the requirement for all capital grant to be included in the 'charitable activities – academy's educational operations' section, but this will not affect the closing SoFA balance.
- **Balance sheet** – the 'summary' section of the menu bar includes a balance sheet, which is populated by calculated values from the various balance sheet tables through the form. Trusts should be able to reconcile this balance sheet to the balance sheet in their financial statements.
- **Reports** – the 'declaration and submission' contains reports that can be opened as pdf files, or printed, to help review the content of the return. This will include the validation report, which provides a list of all explanations the trust has entered against validation checks throughout the return.

The **academy trust approver** has the ability to amend the data in the return prior to them completing the approval process.

2.2 Approving the return

To approve the form the **academy trust approver** should select the 'academy trust declaration' table from the 'declaration and submission' section of the menu bar.

The **academy trust approver** should enter their name and e-mail address in the subsequent boxes. If they are the trust accounting officer, they should confirm 'yes', read the declaration that appears and click the final box to approve the accounts return.

If the **academy trust approver** is not the accounting officer, the form will ask for the accounting officers details and the declaration is slightly different to confirm the approver has the authorisation of the accounting officer to approve the return. The approver should click the final box to approve the accounts return.

Once approved an e-mail is sent to the **academy trust approver**, the accounting officer (if different) and the **external auditor approver**, to confirm that the trust has approved the accounts return. The online form is now locked as a read-only version.

2.3 Unlocking the form

The academy trust approver can unlock the form for editing providing that it has not been approved by the **external auditor approver**. Trusts should only do this in conjunction with their external auditors who may have completed some of their review work on the previously approved version. The **academy trust approver** can unlock the form by unticking the approval box.

Trusts should note that once the external auditor approver has approved the return, no further amendments can be made and any subsequent issue will need to be raised by completing an EFA enquiry form.

Part 3: The independent reporting accountant's report on the accounts return

3.1 Background

EFA requires trusts to arrange for their external auditors to prepare an assurance report covering the preparation of the return. This is the independent reporting accountant's report on the 'external auditor approval – screen 1' table on the 'declaration and submission' menu bar. This table is only visible to the **external auditor approver**.

Trusts' external auditors are required to provide assurance over the preparation of the return from the trust's audited financial statements and underlying financial records. This assurance is in addition to the true and fair opinion on the trust's statutory financial statements for the academic year 2015 to 2016. EFA has consulted a group of audit firms active in the academies sector and the National Audit Office on the form of words to be adopted by external auditors in giving assurance on the return.

EFA does not intend to be a party to the engagement between the academy trust and its external auditors in giving assurance on the return.

The return is submitted to the EFA when the **external auditor approver** completes their approval process.

3.2 Assumptions

EFA requires the trust to ensure:

- the assurances required from the external auditor cover the return as a whole, including the benchmarking return
- the audit firm that undertakes the work for the statutory audit opinion and regularity assurance report on the trust's financial statements also undertakes the review of the return as an integrated and related piece of work
- external auditors reviewing the return have audited the underlying records for the financial statements

3.3 Approving the return

The **external auditor approver** should review the content of the online form by checking each screen has been correctly populated. Please note the form will require the auditor to use the 'next' button to navigate through the form, otherwise it will generate an error message if the auditor tries to submit the return.

When the auditor first logs into the online form they will see a list of all validations that have been triggered. Auditors should note that all of these triggers will have been resolved by the academy trust prior to their approval of the form.

To approve the form the **external auditor approver** should select the 'external auditor approval' table from the 'declaration and submission' menu bar.

The **external auditor approver** should tick the box to approve the form, enter any comments that they wish to provide to accompany the return and click 'next' This will open a 'submission' page where the auditor enters their name and clicks 'submit'.

Once submitted an e-mail is sent to the external auditor approver and the trust accounting officer to confirm that the return has been submitted to the EFA. The online form is now locked as a read-only version.

3.3 Rejecting the return

If the external auditor approver requires the form to be amended before they are willing to approve and submit the return they should click the 'reject' button and use the comments box to explain the reasons for rejection.

- The **academy trust approver** will receive an e-mail confirming the rejection and the reasons why. They can then unlock the form as described in section 2.3, apply the appropriate amendments before repeating the approval process.



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