Education Funding Agency

Submitting your accounts

Guide for all academy trusts

November 2014

Contents

Introduction

This guide explains how to submit your academy trust's audited accounts and auditor's management letter to the Education Funding Agency (EFA). This includes completing a new online form – the accounts submission cover form.

Academies Accounts Direction requirements

The Academies Accounts Direction sets out what is expected from academy trusts. This includes:

- what documents must be submitted
- what information these documents must include
- which trusts are in scope
- the submission timetable

When we issued the Accounts Direction in May 2014, we said we would confirm the submission arrangements nearer the due date.

Submission arrangements

In previous years submission has been by email. This year submission is in two parts:

1. completing the accounts submission cover form
2. submitting your audited accounts and auditor's management letter via Document Exchange

You should submit your form, audited accounts and auditor's management letter at the same time and by the deadline of 31 December 2014.

Your August accounts return is a separate financial return, due 31 January 2015. We will provide separate guidance on how to submit this.

Online form

When you are ready to submit your trust's accounts and auditor's management letter, you will need to complete a new online form – the accounts submission cover form.

All trusts in scope to submit audited accounts must submit this form. We have designed the form to be as simple as possible, in consultation with the Academies Finance and Assurance Steering Group and its working groups.

You will need to have your audited accounts and auditor's management letter to hand in order to complete it. Further guidance on how to complete the form is set out below on page 5.

Reasons for introducing a new form

We use key information from your audited accounts and auditor's management letter to understand any significant issues being faced by your trust and by the sector more widely. This is part of our assurance framework for the use of public money. In the academic year 2012/13, we reviewed almost 5,000 PDF documents.

As the number of trusts continues to grow, we have introduced this new online form to allow a faster and more straightforward way of assessing information on risk areas at the submission deadline. This will help us to redirect our resources towards supporting trusts facing the greatest risks.

We expect additional benefits for you: as well as being able to provide more timely feedback on our findings, both to your trust and to the sector more widely, you may find a saved copy of the online form useful to give to your board as it provides a useful summary and highlights key areas of interest.

We have designed the online form in consultation with academies and free schools to be as simple as possible and to minimise the additional impact.

Document Exchange

This year we launched the EFA Information Exchange, a secure, online system that provides a single place for academies, 16 to 19 providers, high needs providers and local authorities to do business with EFA in a more effective and efficient way.

Document Exchange is a new facility within Information Exchange, which allows secure upload and download of documents specific to your institution.

Once you have completed the online form, you will be given a link to Document Exchange. You must use Document Exchange to submit your audited accounts and auditor's management letter, rather than emailing them to EFA as in previous years. If you submit these using an alternative route, we will ask that you re-submit using Document Exchange.

Please note that auditors will not be able to access Document Exchange. You will need to coordinate receipt of your audited accounts and auditor's management letter from your auditor so that you can submit them on time.

Further guidance on how to submit these documents, including the required naming convention, is set out below on page 12.

Accounts submission cover form

Part 1: Access and navigation

Before you access the form

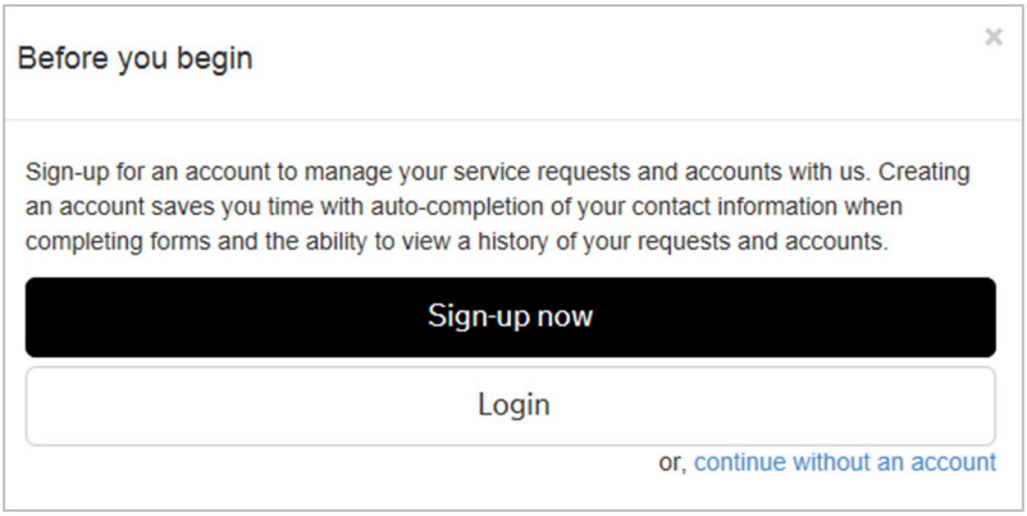
Ensure your web browser (the software you use to access the internet) is the latest version available. Using an outdated browser may mean the form will not display correctly. You can find more information on upgrading your browser on gov.uk/help/browsers.

Access

You can access the form at education.gov.uk/accounts-submission.

Registering and logging in

If you haven't previously submitted one of our online forms, then the first time you access the accounts submission cover form, you should register and log in. You will need to create a password when you register.



You can complete and submit the form without an account. If you choose this option you will not be able to save your progress.

Moving around the form

You can use the tab key on your keyboard to move to the next question once you have completed your response, or you can click through the form.

To make sure you don't lose any information when moving between sections, you should click the 'Previous' or 'Next' buttons shown on screen.

You should not use the back arrow in your browser. You can also move between sections by selecting the appropriate tab at the top of the screen.

Occasionally, when information is processing / uploading, you may experience some delay in moving from screen to screen. Please wait for the screen to load; you will receive an error message if there is a problem.

Exiting the form

If you wish to exit the form before submission, click the 'Save' button and exit the system. You will have to use your login details when you re-enter the system, but the information you have entered will have been saved and you can continue completing the form. If you have completed the form without registering and logging in, you will not be able to save your progress.

If you wish to exit the form without saving, click the 'Cancel' button.

Part 2: Completing the form

Overview

The form has five sections:

1. Organisation details
2. Audit findings
3. Financial assessment
4. Specific areas of interest
5. Your details

The form has been designed to be straightforward, with help text provided throughout. However, you may need to refer to the notes below when completing each section.

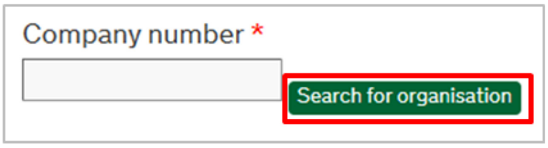
1. Organisation details

This section identifies your organisation using the company number. It also asks for the name of your audit firm and confirmation of your accounting officer's name.

Company number

You can get this from the front page and / or balance sheet page of your accounts. You can also search Companies House using their free WebCheck service.

Once you have entered your company number, you must click the button 'Search for organisation'. If your trust is a multi-academy trust, this will return the name of your trust. If you are from a single academy trust, this will return the name of your academy.



You should check the organisation name. If it is not correct, you should re-confirm your company number.

Name of audit firm

You can get this from the 'independent auditor's report on the financial statements' in your accounts.

Name of accounting officer

The accounting officer is usually your trust's principal or chief executive. If you are not sure, you can get this from the 'governance statement' in your accounts.

2. Audit findings

This section asks for information on your auditor's findings.

Audit opinion

You can get this from the ‘independent auditor’s report on the financial statements’ in your accounts.

The auditor will give an opinion on your accounts in accordance with International Standards on Auditing (ISAs). If you are unsure which opinion has been given, you should consult your auditor.

Regularity report

You can get this from the ‘independent reporting accountant’s assurance report on regularity’ in your accounts.

Any matters by exception raised by your auditor will be disclosed in the conclusion at the end of this report.

Auditor’s management letter

You must enter the number of findings reported by your auditor within their management letter.

If they have reported findings, you will be prompted to provide further information. If they have not reported anything then you should enter ‘0’ and you will be taken to the next section of the form.

Where findings are reported, you must tell us whether your auditor has assigned a priority rating to each finding. For example, the auditor may classify some findings as being of primary importance, high risk or high significance. Where the auditor applies such a rating system, you must tell us how many findings they have assigned the highest priority rating.

You must also tell us whether the auditor has noted any instance where prior approval has not been obtained from EFA for relevant transactions. Section 10.4.3 of the Accounts Direction outlines where prior requests for approval are required; this includes all of the following:

- write-offs over 1% of total income or £45,000 (whichever is smaller)
- acquisitions or disposals of freehold land and buildings
- disposal of heritage assets
- taking up a finance lease
- taking up a leasehold on land and buildings over five years
- any novel and contentious payments e.g. honorarium payments

- non-contractual elements of special payments to staff over £50,000
- borrowing (in the form of loans, overdraft facilities or finance leases)

If prior approval has not been requested your auditor may recommend you seek retrospective approval. You will still need to respond 'Yes' to this question on the form even if retrospective approval has been requested.

3. Financial assessment

This section asks for key financial information from your accounts, specifically current assets and current liabilities.

You can get these figures from the balance sheet in your accounts. You must enter figures in thousands of pounds, so enter £5,000 as 5.

Financial assessment – Coketown example

The Accounts Direction provides model accounts for Coketown Academy Trust Limited. That trust discloses current assets of £342,000 and current liabilities of £87,000 on its balance sheet (see extracts below).

That trust would therefore enter current assets of 342 and current liabilities 87.

Current assets

This should be a subtotal of current assets, including stock, debtors and cash at bank and in hand.

Current assets		
Stock	14	**5**
Debtors	15	**82**
Cash at bank and in hand		**255**
		342

Current assets as shown in the Coketown model (£'000)

Current liabilities

This should be the value of the line item 'Creditors: Amounts falling due within one year'.

Liabilities		
Creditors: Amounts falling due within one year	16	**(87)**

Current liabilities as shown in the Coketown model (£'000)

4. Specific areas of interest

This section asks for information on specific areas of your accounts, namely severance payments and related party transactions.

Severance payments

HM Treasury requires EFA to review a sample of severance payments to ensure trusts are following correct procedures prior to making such payments. The sample includes non-statutory / non-contractual payments that require approval and those that do not require approval.

You must tell us whether you have made any non-statutory / non-contractual severance payments during the period, irrespective of value.

If you have made such payments, you will be prompted to tell us the number of individual payments you have disclosed within your accounts.

The Accounts Direction outlines the disclosure requirements for severance payments, including the need to disclose, to the nearest £1, any individual non-statutory / non-contractual payment over £5,000. You can get this information from the ‘staff costs’ note in your accounts.

Where you have disclosed no more than five non-statutory / non-contractual severance payments, you must tell us the value of each. This will assist us with our sampling.

To avoid an undue burden on completion of this section of the form, if you have disclosed more than five non-statutory / non-contractual severance payments in your accounts, we ask you only to confirm whether any of these payments exceed £50,000. In such instances, we will review the note in your financial statements to assess whether we need to contact you for further information.

Related party transactions

You must tell us whether you have entered into any related party transactions during the period.

If you have entered into such transactions, you will be prompted to provide further information. You can get this information from the ‘related party transactions’ note in your accounts.

Firstly, you must tell us the number of related parties you have separately named within your accounts. Secondly, we ask for detail on the transactions disclosed in your accounts, including the total expenditure and income with all related parties, and the highest expenditure / income with a single related party. You may need to perform some addition of amounts disclosed in the note to reach the figures required.

Governance changes

You must tell us summary information about governance changes, including the number of incoming or outgoing trustees or members. Trustees and members are defined within the [Academies Financial Handbook](#).

You can get this information from the ‘Reference and Administrative Details’ page of your accounts.

5. Your details

This section asks for details of the person within the academy trust submitting the form.

This does not have to be the accounting officer, but if you are not the accounting officer, you need to ensure you have the accounting officer’s express permission to complete the form on their behalf.

Declaration

Prior to submission, you must confirm that you have completed the form to the best of your knowledge and that you have submitted or will submit the trust’s audited accounts and auditor’s management letter by 31 December 2014.

Submitting the form

At the bottom of this section, you have the option to save the form, access a printable version, or submit.

If you need a draft version of the form before you submit, click the ‘Printable Version’ button and print / save a copy of the document before you submit it.

If you do not need a draft version of the form then click the ‘Submit’ button.

Confirmation of receipt

Following submission, you will receive a confirmation email. This will include a PDF copy of the form you have submitted. Depending on the level of internet traffic, there may be a slight delay in receiving this email. Please also check your junk / spam email folders.

Using Document Exchange

Part 1: Access and navigation

Access

Once you have submitted you accounts submission cover form, you will be given a link to Secure Access. Click on the link to the EFA Information Exchange . From here you will be able to access the Document Exchange.

Registering and logging in

All EFA-funded organisations should now have access to the Secure Access system. If you don’t, please log a Secure Access service request.

Folder structure

You should upload your audited accounts and auditor’s management letter to the following folder:

Finance and Payments > AY 2013-14

Once in this folder, you are ready to submit your documents.

Part 2: Submitting your documents

Document requirements

Format

You must scan the signed versions of your audited accounts and auditor's management letter into PDF format. Your audited accounts should form one PDF file and the auditor's management letter should form a separate PDF file.

Please check that all pages are included within the scanned PDF file and are readable.

Naming convention

You must name your documents according to our standard convention.

For your audited accounts, use:

Company number-Trust name-1314-FinStat

For the auditor's management letter, use:

Company number-Trust name-1314-ManLet

Naming convention – examples

The Accounts Direction provides model accounts for Coketown Academy Trust Limited (company number: 01234567). That trust would submit the following two documents:

- 01234567-Coketown Academy Trust-1314-FinStat
- 01234567-Coketown Academy Trust-1314-ManLet

Failure to use this convention could cause delays in processing your accounts and could also lead to additional queries.

Confirmation of receipt

Once you have submitted your documents, they will be visible within Document Exchange. You will receive no further confirmation of receipt.

Other considerations

These revised submission arrangements do not remove the requirement for you to file your accounts with Companies House as required under the Companies Act 2006.

Queries

If you have a technical issue with the accounts submission cover form, please submit an online feedback form. You must select the accounts submission cover from the drop-down list of online forms.

If you have a technical issue with Document Exchange, please submit a Secure Access service request.

If you have other queries about submitting your accounts that have not been answered within this guide, please contact the Academies Enquiries Service quoting ‘submitting accounts’ and your academy trust’s name in the email title.

Education Funding Agency

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enquiries www.education.gov.uk/contactus
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Reference: EFA-00645-2014

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