

Academies

'A modern approach to education'



HART SHAW

Chartered Accountants & Business Advisers



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“ We work in a very busy, fast paced environment with the statutory guidelines and requirements around academy trusts frequently subject to significant change - Hart Shaw provide us with information about forthcoming changes and are able to respond quickly to our queries and requests for advice. ”

Mrs C, Business & Finance Director, Multi Academy Trust, South Yorkshire

Introduction

Hart Shaw specialise in helping and advising head teachers, governors and finance officers through the Academy conversion process and after conversion.

We have a team with an extensive range of skills relevant to the Education and Academy sector. As the Education team is part of Hart Shaw Chartered Accountants, it has the support of our wide range of in-house specialists.

In addition to Academies, our specialist services include, audit, accounts, VAT, PAYE, tax, pension, investment, and wealth management allowing us to meet all of your requirements.

Our services include:

- Advice and guidance through the conversion process
- Year end accounts and the statutory annual audit
- Regularity audit
- Help with governance
- Implementation, review and improvement of financial systems and controls
- Annual EFA Budget preparation
- Budget monitoring
- Computer systems
- Internal audit
- WGA return, March return and annual return
- VAT and PAYE advice
- Transferring and operating payroll

We are committed to providing you with a friendly, proactive, cost effective "Partner led" service and advice. Our individual approach means you get advice tailored to your needs conducted with the highest standards of professional integrity.

Meet the Education Specialists

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Our team of specialists has extensive experience of managing academies at all stages of the conversion process and after, drawing upon 14 years' experience in school governance positions, 9 years' as chair of finance and 10 years' experience in practice acting for schools, in addition to charities and finance director roles in not for profit companies.

What is an Academy?

Running an Academy is very different to operating within the Local Authority's structure.

Origin of Academies

The Labour government launched its Academy programme in March 2000, in order to replace under-performing schools. These 'old' Academies required external sponsorship.

Coalition government changes

Since 2010 the Government made it easier to set up schools outside local authority control, which effectively gives schools their freedom.

The new Academy schools are established under the Academies Act 2010 and are set up as a company limited by guarantee. The articles of association define the Academy as an 'Academy Trust', with the trust being responsible for the running and controlling of the Academy assets and land.

New Academies - what you need to know

They:

- Cannot charge for admission or attendance
- Have the freedom to work outside LA control
- Set their own pay scales, conditions, Curriculum and term & day lengths

“The conversion process has been simplified and typically takes around 3 months”



www.hartshaw.co.uk

www.academy-accountants-sheffield.co.uk

What is different about New Academies?

The education sector is becoming increasingly complex, but what are the differences?

Old style versus new style Academies

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Old style versus new style Academies

The old style Academies were set up under the Education Act 1996 and required external sponsorship.

They were effectively aimed at schools that under-performed.

New style Academies are established under the Academies Act 2010 and initially only schools with an Ofsted rating as 'Outstanding' could apply.

Those schools that did not have an 'Outstanding' rating would partner with a school that had an outstanding rating or obtain a sponsor.

However, during 2011 the rating required to convert was changed and now schools that are seen as improving have the chance to become an Academy, without a partner or sponsor.

Academies versus independent schools

- Academies receive public funding from the State, under a contractual relationship termed a funding agreement
- Academies still have an admissions policy but cannot charge fees
- An Academy has no contractual relationship with the students' parents



The conversion Process

Since 2010 the conversion process is much simpler and a time-scale of three months to convert is usually achievable if there are no complicating factors.

The conversion process consists of a number of stages, some of which run concurrently -

- Preparation
- Consultation
- Application by governing body
- The Academy Order
- Notification
- Completion of the commercial arrangements, including forming the company
- Registration requirements
- Other issues

Preparation and consultation

The key to a trouble-free conversion to Academy status is to ensure that you are fully prepared and have been through the consultation process.

The consultation should include anyone you feel to be appropriate, but an indication of relevant people would be:

- The Local Authority
- Parents

- Teachers
- Governors
- External professionals

The consultation process can take place at any point before or after the Academy Order has been made, but the Order will not be completed until this process is completed.



The conversion Process

The conversion will flow much more quickly and easily if you involve people familiar with the process.

Application and the Academy Order

Once the application has been submitted an enabling document will be given to the school by the Secretary of State.

For all schools classed as outstanding by Ofsted, this should be obtained as a matter of course, unless exceptional circumstances apply. However, you MAY expect:

- A review to ensure there have been no changes since your last Ofsted review
- A review of your budget deficit
- A visit by Ofsted

Speaking to us for assistance with the preparation of budgets, should help confirm the viability of the Academy. This should be done at the consultation process.

Notification, completion and registration

Once the Academy Order has been processed, then you will need to notify the relevant parties, including:

- Governors
- Teachers

- Local Authority
- Your legal team

Your legal team will then go through the process of setting up the Academy and ensuring nothing has been overlooked and, where required, all contracts and agreements are transferred across to the Academy.

This task is very onerous and using people that have already been through the process will ensure that nothing is missed and everything is in order.



The Issues

Schools that rush into setting up as Academies without the expertise or knowledge of the issues are the ones who encounter problems along the way.

Seeking professional advice and guidance makes all the difference.

The conversion process has already been discussed very briefly and there is much more detail which will require consideration. This is also true about the issues that face Academies after conversion.

A summary of the main issues faced by nearly all Academies include:

- Transfer of Undertakings (Protection of Employment) regulations (TUPE)
- Transfer agreements
- Potential staff pension scheme deficits
- Property issues and ownership
- Budget setting for the school
- Changes to financial systems and new procedures
- VAT
- Alterations to governance rules

Will TUPE regulations give you the freedom you want?

What will the schools pension deficit be?

What assets will transfer?

These are the types of questions you should be asking yourself and they should be raised as part of your consultation process, but this is not an exhaustive list and this is why you should seek professional advice. We can offer advice in respect of detailed financial problems and queries and also help with a number of the non-financial issues.



How We can help

With our detailed knowledge and experience we can help all Academies, from those that need guidance through the application process, to those that are already up-and-running.

Our services include:

- Consultancy advice, guidance and project management prior to conversion
- Implementation of procedures of systems and controls
- Preparing year end accounts fully compliant with EFA rules, Companies Act and Charities Act
- Year end statutory and regulatory audit
- Help with annual budget setting and monitoring
- Responsible officer training or internal audit role
- Advice about managing risk
- Payroll preparation and advice
- Benchmarking against other schools
- Specialist audits, including pensions and grants
- EOYC pension audit

Our expertise and approach

We have the expertise and knowledge to help you through the Academy conversion process and beyond. Our approach is truly bespoke for each Academy. We work closely with you to ensure the service you are receiving is the service you want. Not only do we offer our expertise and advise you, but we also ensure that we pass this knowledge onto your finance team.

What our clients have to say

“ I was initially daunted by the whole year end process of our annual accounts, however with the guidance, help and explanations from staff at Hart Shaw, our first year completed without any problems. This has given me the confidence, having gained the knowledge from Hart Shaw and knowing they are there to answer any queries, to proceed through this second year and hopefully many more without any issues. ”

Mrs W, Principal Finance Officer, Multi Academy Trust,
South Yorkshire

Academy Payroll

More schools and Academies are choosing to move their payroll away from the LA to a specialist outsourced payroll organisation for greater efficiency, flexibility and value - let us introduce you to one of the best.

About Hart Shaw payroll services

We have been providing payroll solutions for over 30 years and currently run and operate payrolls and PAYE for over 200 clients.

Our payroll staff have many years experience. They are a dedicated team, who will ensure that your change in payroll provider is seamless.

What we offer:

- Comprehensive bespoke management reporting pack, including journals
- Sealed security payslips - including the Academy logo if requested
- Payment of all employees via your BACS facility
- Monthly RTI submission
- All year end PAYE and in year filing
- Monthly PAYE/NI compliance and reporting
- All monthly and annual returns

- Pension reporting and submission
- Completion of all relevant HM Revenue & Customs forms
- Liaison with the tax office on your behalf
- General payroll advice and support



Our other Services

We provide many more services to our clients depending on their circumstances and needs. Every client has their own specific requirements and our services are highly personal and tailored around those requirements.

- Monthly management accounts preparation
- IT support
- Personal and inheritance tax advice for your staff and governors
- Banking review service
- Financial planning
- Company protection schemes

As a member of IAPA, a global association of independent accountancy and business advisory firms who provide accounting, audit, tax advisory and business consultancy services, and part of UK200 Group's Academies forum, we have the expertise and experience to offer Academies the full range of services they need.



Some more about us

Hart Shaw is a leading, full service, independent firm of Chartered Accountants & Business Advisers based in Sheffield, South Yorkshire, with a specialism in audit and accounts preparation, tax, payroll and business advice to educational establishments.

At Hart Shaw, we support our clients striving to interpret the complexities of business finance and financial regulations to enhance their success and efficiency. We believe our straight talking and hands-on approach is the best way to relay the relevant expert advice – without hiding behind jargon.

Every client is assigned a partner, who is directly responsible for the service they receive. The partner is supported by specialists in the firm's various departments who are highly skilled, motivated individuals, eager to contribute to the financial and overall success and smooth running of your organisation.

We offer a cost effective, 'Partner-led' service. Our individual approach means you get advice tailored to your own business and personal needs.

Our Credentials

Hart Shaw is a member of the UK200 Group – a national association of accountancy firms – and the International Association of Professional Accountants, providing national and international coverage for our clients.

We are also a member of the UK200 Group Academies forum.

We are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

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