Education & Skills
Funding Agency

Academy trust handbook 2024

also known as the Academies financial handbook

For academy members, trustees, accounting officers, chief financial officers and auditors

Effective from 1 September 2024

July 2024

Contents

Foreword by the Minister for School Standards 5

Who should read this handbook 6

What the handbook covers 6

Using the handbook 6

What else should you read? 6

What has changed in this edition? 8

Roles and responsibilities 8

Main financial requirements 8

Internal Scrutiny 8

Delegated Authorities 8

The Regulator and intervention 8

Part 1: Roles and responsibilities 9

Members 9

Trustees 10

The accounting officer 15

The chief financial officer 17

The governance professional (clerk to the board) 17

Being transparent about your governance 18

Register of interests 18

Trust websites 19

Disclosure and Barring Service (DBS) checks 19

Part 2: Main financial requirements 20

Financial oversight 20

Basic control principles 20

Financial planning 21

Procurement and spending decisions 24

Income generation 26

Risk management 26

Whistleblowing 27

Provision of information 28

Part 3: Internal scrutiny 30

Purpose of internal scrutiny 30
Approach 30
Working with other assurance providers 30
Independence and objectivity 30
Directing internal scrutiny – the audit and risk committee 30
Delivering internal scrutiny 32
Part 4: Annual accounts and external audit 34
Preparation and audit of accounts 34
External auditors 34
Review of regularity 35
External audit oversight and findings – the audit and risk committee 36
Part 5: Delegated authorities 37
Requirement to obtain ESFA approval 37
Novel, contentious or repercussive transactions 38
Special payments 38
Write-offs and entering into liabilities 40
Acquisition and disposal of fixed assets 41
Leasing 41
Managing General Annual Grant (GAG) 42
Gifts 43
Borrowing 43
Related party transactions 43
Applicability of delegations and freedoms 48
Summary of freedoms and delegations 49
Part 6: The regulator and intervention 51
Oversight 51
Access rights 51
Financial management and governance assurance 52
Funding audit 52
Fraud, theft, irregularity and cybercrime 52
Intervention powers 53
Secretary of State for Education directions 55

ESFA work with the Charity Commission 55
ESFA work with the Insolvency Service 55
ESFA approach to academy resource management 56
National Audit Office and Public Accounts Committee 56
Part 7: Definitions 57
Part 8: Further reading 59
Links to more information and guidance. 59
Acknowledgements 63

Foreword by the Minister for School Standards

I would like to thank all of you involved in the leadership and governance of trusts for the important role you play in preparing young people for the next stage of their life.

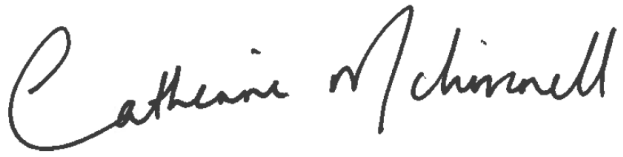
It is with strong financial management and governance that schools are able to operate most effectively and deliver high-quality teaching and learning that prepares our children for the future.

I know the importance of the handbook in supporting you to achieve this.

From 1 September the handbook confirms that you will have greater freedom to manage your resources by being able to enter into finance leases for assets you use on a day-to-day basis. In addition, for those of you who receive higher levels of funding we are moving towards a position where use of a professional internal audit function becomes the norm to ensure a robust system of scrutiny.

I know that this handbook has been produced as a collaborative effort with the sector, and I would like to thank those who have contributed to its development.

I am looking forward to working with you all to raise school standards.



Catherine McKinnell MP

Who should read this handbook

Read this handbook if you have responsibility for governing, managing or auditing an academy trust.

What the handbook covers

The handbook:

- **must** be complied with as a requirement of trusts' funding agreements with the Secretary of State for education
- describes financial responsibilities of academy trusts
- describes other responsibilities of academy trusts including references to safeguarding and keeping buildings safe and well-maintained
- explains when trusts **must** obtain Education and Skills Funding Agency (ESFA) approval in advance for financial transactions
- balances the need for effective financial governance with the freedoms that trusts need over their day-to-day business
- sets out the areas of HM Treasury's Managing Public Money applying to trusts, and reflects The 7 principles of public life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) to which public office holders **must** adhere
- covers all types of academy including single academy trusts, trusts with multiple academies, free schools, studio schools, university technical colleges, alternative provision and special academies
- sets out that ESFA may intervene where it has concerns about the trust's compliance
- signposts trusts to supplementary guidance which trusts should read and apply where applicable
- It is effective from **1 September 2024** and will remain in force until updated or replaced.

Using the handbook

In the handbook:

- '**must**' – identifies requirements - a list can be found in the Schedule of Musts.
- '**should**' – identifies minimum good practice which trusts should apply unless they can demonstrate that an alternative approach better suits their circumstances.

What else should you read?

Depending on your role, you may need to refer to other material. There is further reading in:

- Academies Accounts Direction and Auditor Framework
- Academies: A to Z of terms
- Academies: compliance, funding and payments
- Academies regulatory and commissioning review
- Charity Commission guidance publications
- ESFA Good Practice Guides
- ESFA Planning Calendar
- ESFA training and Academy Finance Professionals ‘Power Hours’ (videos and webinars)
- ESFA updates
- Academy trust governance guide
- Meeting digital and technology standards in schools and colleges
- Trust quality descriptions
- Understanding your data
- What academies, free schools and colleges must or should publish online.

What has changed in this edition?

The **main changes** are as follows:

Roles and responsibilities

- Moved content on **register of business interests** in this section from part 5 of the handbook (1.45 to 1.48)
- Reminding trusts the importance of the **digital and technology standards** (1.16)

Main financial requirements

- Emphasising that trusts' reserves policy includes a clear plan for **managing reserves** (2.8)
- Clarifying the position around when trusts must approach ESFA for **Electric Vehicle (EV) salary sacrifice schemes** (2.31)

Internal Scrutiny

- Explaining which **internal scrutiny options** to be applied for trusts with annual revenue income over £50 million (3.16)
- Clarifying **qualifications and/or experience** for trustees and peer reviewers (3.17)

Delegated Authorities

- Confirming that trusts will be able to enter into **finance leases** where the lease category appears on the DfE approved list (5.25 and 5.26)

The Regulator and intervention

- Clarifying that trusts take appropriate action to meet DfE's **cyber security standards** (6.14)
- Extended the list of examples where a Notice to Improve (NtI) may be issued to include **management of the school estate** (6.16)

Part 1: Roles and responsibilities

The duties of key people responsible for running academy trusts.

1.1 Trusts perform an important role in advancing education, promoting pupil welfare and keeping trusts' estates safe and well-maintained. Trustees and management **must** have the skills, knowledge and experience to run the academy trust.

Members

Role of members

1.2 Every trust has members who have a similar role to shareholders of a company limited by shares. Member powers are set out in the trust's articles of association.

How many members should there be

1.3 The academy trust **must** have at least three members but should have five or more.

Suitability of members

1.4 Trusts **must** ensure that their members are not currently subject to a direction made under section 128 of the Education and Skills Act 2008, which prohibits individuals from taking part in academy trust management, and that they do not appoint as a member, a person who is currently subject to a section 128 direction.

Can employees be members

1.5 No. Members **must not** be employees of the trust, nor occupy staff establishment roles on an unpaid voluntary basis.

Can trustees be members

1.6 The majority of members should not also be trustees.

Working with the trustees

1.7 It is important for members to be kept informed by trustees about trust business so they can be assured that the board is exercising effective governance and use their powers to step in if governance is failing. This **must** include providing the members with the trust's audited annual report and accounts as stated in paragraph 4.4.

Find out more about the role of members in section 4 of the Academy trust governance guide

Trustees

Who are the trustees

1.8 The trustees of the academy trust are both charity trustees and company directors. This handbook refers to them as trustees. However, in some academy trusts, such as church academies, those on the board are known instead as 'directors'. In church academies, the term 'trustees' is reserved for those on the board of the separate trust owning the land.

1.9 All trusts should have reserved places for parents, carers or other individuals with parental responsibilities in their governance structure. Trusts should hold elections to fill these places, as appropriate.

- Single academy trusts should have at least two such places on the board.
- Trusts with multiple academies should have at least two such places on the board or at least two such places on each local committee (known as local governing bodies in the department's model articles) where the trust has established them.

Find out more about:

- Model articles of association for academy trusts
- Department for Education's (DfE's) Academy trust governance guide

Board purpose

1.10 The academy trust is the legal entity with the board having collective accountability and responsibility for the academy trust and assuring itself that there is compliance with regulatory, contractual, and statutory requirements.

The academy trust board provides:

- strategic leadership of the academy trust - the board defines the trust vision for high quality and inclusive education in line with its charitable objects. It establishes and fosters the trust's culture and sets and champions the trust strategy including determining what, if any, governance functions are delegated to the local tier

- accountability and assurance - the board has robust effective oversight of the operations and performance of the academy trust, including the provision of education, pupil welfare, overseeing and ensuring appropriate use of funding and effective financial performance and keeping their estate safe and well-maintained
- engagement: - the board has strategic oversight of relationships with stakeholders. The board involves parents, schools and communities so that decision-making is supported by meaningful engagement.

1.11 The trustees **must** apply the highest standards of conduct and ensure robust governance, as these are critical for effective financial management. Trusts should consider the features of high quality governance as described in the trust quality descriptions.

Trustees statutory duties

1.12 Yes. They **must** comply with the trust's charitable objects, with company and charity law, and with their contractual obligations under the funding agreement. Company directors' duties are described in sections 170 to 181 of the Companies Act 2006. Charity trustees' duties are described in the Charity Commission's The essential trustee guidance.

1.13 As an organisation, the trust has a range of responsibilities under current legislation and statutory guidance. Trusts' responsibilities include such matters as safeguarding, health and safety and estates management. Ensuring strong governance in these areas will be a key priority for the board.

Safeguarding

1.14 Academy trust boards have a duty to:

- safeguard and promote the welfare of children
- have regard to any statutory guidance on safeguarding, issued by the Secretary of State for Education
- ensure the suitability of staff, supply staff, volunteers, contractors and proprietors.

Find out more about this duty in:

- The Education (Independent School Standards) Regulations 2014

Read further guidance in:

- Working together to safeguard children
- Keeping children safe in education (KCSIE), which contains guidance on legal requirements including Disclosure and Barring Service (DBS) checks, directions made under section 128 of the Education and Skills Act 2008 prohibiting individuals from taking part in academy trust management, and teacher prohibition checks

1.15 When carrying out the Prevent duty, as required under section 26 of the Counter Terrorism and Security Act, trusts are required to follow the Home Office's 'Revised Prevent duty guidance: for England and Wales' and the DfE's general advice 'Protecting children from radicalisation: the prevent duty'.

Digital and Technology Standards

1.16 Trusts should refer to the DfE's digital and technology standards, which were developed to support trusts in making more informed decisions about technology.

Health and safety

1.17 The main legislation covering this area is the Health and Safety at Work etc. Act 1974 and its regulations. Under the Act the academy trust, as an employer, is responsible for the health and safety of its staff, pupils, and any visitors.

1.18 Trust boards should follow the department's 'Health and Safety: responsibilities and duties for schools' as well as 'Health and Safety Executive (HSE) guidance for Education'.

1.19 Academy trusts have a duty to manage asbestos in their schools effectively, compliant with the Control of Asbestos Regulations 2012.

Find out more about:

- Managing Asbestos in Your School or College – DfE guidance to help academy trusts understand their duties in relation to asbestos management
- Asbestos registers and management plans – essential for safe management of asbestos
- Duty to manage asbestos guidance - detailed advice from the Health and Safety Executive
- Asbestos management checklist for schools – questions to help academy trusts check whether suitable precautions are in place
- Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 – including trusts' legal duty to notify the Health and Safety Executive in certain circumstances where asbestos has been disturbed or damaged

Estates management

1.20 An academy trust's estate is both an asset and a mechanism to deliver outcomes for pupils. The DfE expects academy trusts to manage their school estate strategically and effectively and maintain their estate in a safe working condition. This includes complying with statutory duties to ensure the health and safety of building occupants.

Trusts should ensure they are aware of and are applying the following guidance relevant to estates safety and management:

- advice, standards and tools for academy trusts at Good Estate Management for Schools, including guidance on an estates strategy and asset management plan, and the Estate management competency framework for standards on the skills and knowledge needed for individuals at all levels
- the Condition Data Collection (CDC) process which helps DfE understand the condition of government funded schools across England for the purposes of targeting funding where it is needed most
- Reinforced Autoclaved Aerated Concrete (RAAC) guidance - RAAC is a weaker form of concrete used in floors, walls, and roofs of buildings constructed or modified between the 1950s and mid-1990s and could pose a particular risk
- School Capital Funding guidance, who it's for, current and past allocations, how it's calculated and spending guidance
- Condition Improvement Fund including links to terms and conditions.
- Further information and guidance is available from The Trust Network, which is run by trusts for trusts to help its members develop effective, efficient, and economically sustainable estates and safety management.

What else do trustees consider

1.21 The trustees **must** ensure regularity and propriety in use of the trust's funds, and achieve economy, efficiency and effectiveness – the three elements of value for money. The trustees **must** also take ownership of the trust's financial sustainability and its ability to operate as a going concern.

What does the chair of trustees do

1.22 The chair is responsible for ensuring the effective functioning of the board and has a vital role in setting the highest expectations for professional standards of governance and accountability for the board.

Find out more about the role of the chair: Academy trust governance

Can employees be trustees

1.23 Any newly appointed senior executive leader can only be a trustee, if the members decide to appoint them as such, the senior executive leader agrees and the trust's articles permit it. No other employees should serve as trustees, nor should trustees occupy staff establishment roles on an unpaid voluntary basis.

Can trustees delegate

1.24 Yes, to committees and the executive in accordance with their governance structure. Each committee (other than those in a trust with multiple academies constituted as a local governing body) **must** contain a majority of trustees, but it may also include other people the board chooses to appoint.

1.25 Academy trusts **must** not have de facto trustees (defined in appendix 1 of the Charities SORP) or shadow directors (defined in section 251(1) of the Companies Act 2006).

Skills and experience

1.26 The board should identify the skills and experience it needs, including sufficient financial knowledge to hold the executive to account. The board should also address this for committees/local committees/local governing bodies.

1.27 New trusts in their first year **must**, and established trusts should, include in their governance statement, an assessment of their governance structure, including a

review of the board's composition in terms of skills, effectiveness, leadership and impact.

Find out more about:

- Academy trust governance guide
- Charity Commission guidance CC3: the essential trustee: what you need to know, what you need to do
- the automatic disqualification rules for individuals acting as trustees or senior managers in charities
- compliance with The Education (Independent School Standards) Regulations 2014
- trustees should also follow the other guidance available from the Charity Commission
- questions for the board to ask itself about its governance arrangements in the DfE School resource management self-assessment checklist

The accounting officer

Who is the accounting officer

1.28 The board of trustees **must** appoint, in writing, a senior executive leader, who may be appointed as a trustee. In single academy trusts this should be the principal. In trusts with multiple academies, it should be the chief executive or equivalent.

1.29 The board **must** also appoint, in writing, a named individual as its accounting officer. This should be the senior executive leader. The individual **must** be a fit and suitable person for the role. The roles of senior executive leader and accounting officer **must not** rotate. The roles of accounting officer and chief financial officer should not be occupied by the same individual. The accounting officer should be employed by the trust. The trust **must** obtain prior ESFA approval, if it is proposing, in exceptional circumstances, to appoint an accounting officer who will not be an employee.

Departure of the senior executive leader (accounting officer)

1.30 When the senior executive leader is planning to leave the trust (for example retirement or resignation), the board of trustees should approach their Regional Director in advance to discuss their structure and options, including plans for recruitment.

What does the accounting officer do

1.31 The accounting officer role includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament and to ESFA's accounting officer for the trust's financial resources.

1.32 Accounting officers **must** be able to assure Parliament and the public, of high standards of probity in the management of public funds, particularly regularity, propriety and value for money.

1.33 Accounting officers **must** adhere to The 7 principles of public life.

1.34 The accounting officer **must** have oversight of financial transactions, by:

- ensuring the academy trust's property and assets are under the trustees' control and measures exist to prevent losses or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts.

The accounting officer's annual statement

1.35 The accounting officer **must** complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The accounting officer **must** also demonstrate how the trust has secured value for money in the governance statement in the audited accounts.

The accounting officer's duty to raise concerns

1.36 The accounting officer **must** take personal responsibility (which **must not** be delegated) for assuring the board that there is compliance with the funding agreement and handbook.

1.37 The accounting officer **must** advise the board in writing, if action it is considering is incompatible with the articles, funding agreement or handbook.

1.38 Similarly, the accounting officer **must** advise the board in writing, if the board fails to act where required by the funding agreement or handbook. Where the board is minded to proceed, despite the accounting officer's advice, the accounting officer **must** consider the board's reasons and, if the accounting officer still considers the action proposed by the board is in breach of the articles, the funding agreement or handbook, the accounting officer **must** notify ESFA's accounting officer immediately in writing.

Find out more about the accounting officer role in chapter 3 of Managing Public Money.

The chief financial officer

Role of the chief financial officer

1.39 The board **must** appoint a chief financial officer (CFO) to whom responsibility for the trust's detailed financial procedures is delegated. The CFO should play both a technical and leadership role. The CFO should be employed by the trust, and the trust **must** obtain prior ESFA approval, if it is proposing, in exceptional circumstances, to appoint a CFO who will not be an employee.

Skills and experience

1.40 The CFO and their finance staff **must** be appropriately qualified and/or experienced. Trusts **must** assess whether the CFO, and others holding key financial posts, should have a business or accountancy qualification and hold membership of a relevant professional body, dependent on the risk, scale and complexity of financial operations. ESFA encourages larger trusts (for example over 3,000 pupils) to consider the range of accountancy qualifications available from professional bodies such as the ICAEW, ACCA, CIMA or CIPFA (including CIPFA qualifications developed in partnership with ISBL), and take this into account when filling CFO vacancies.

1.41 CFOs and other key financial staff should maintain continuing professional development and/or personal development and undertake relevant ongoing training.

Find out what the CFO role may cover in the Institute of School Business Leadership's Professional Standards, and its employers' guidance.

CFOs may find it beneficial to engage in a local or regional network of fellow school business professionals. Find one in the directory of school business professional networks.

The governance professional (clerk to the board)

1.42 The academy trust **must** appoint a governance professional to support the board of trustees, who is someone other than a trustee, principal or chief executive of the trust.

Find out more about the role of the governance professional in DfE's Academy trust governance guide

Being transparent about your governance

1.43 The trust **must** be transparent with its governance arrangements.

1.44 The trust **must** provide details of its governance arrangements in the governance statement published with its annual accounts, including what the board has delegated to committees and, in trusts with multiple academies, to local committees/governing bodies.

Register of interests

1.45 The trust **must** keep a register of any relevant business and financial interests, including governance roles in other educational institutions, for (as a minimum) members, trustees, local governors and senior employees, serving at any point over the past 12 months.

1.46 The register **must** include their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them and relevant business and financial interests including:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name and nature of the business, the nature of the interest and the date the interest began.

1.47 The register **must** identify relevant interests from close family relationships between the academy trust's members, trustees or local governors. It must also identify relevant interests arising from close family relationships between those individuals and employees.

1.48 Trusts should consider whether other interests should be registered, and if in doubt should do so. Boards of trustees **must** keep their register of interests up-to-date at all times.

The Charity Commission offers guidance in Manage a conflict of interest in your charity and CC29: Conflicts of interest: a guide for charity trustees.

Trust websites

1.49 The trust **must** also publish on its website up-to-date details of its governance arrangements in a readily accessible format, including:

- the structure and remit of the trust's members, board of trustees, committees and local committees/governing bodies (the trust's scheme of delegation for governance functions), and the full names of the chair of each
- register of business and financial interests for members, trustees, local governors and accounting officers, including a nil return where appropriate
- for each trustee, their attendance records at board and committee meetings over the last academic year
- for each local governor, their attendance records at local governing body meetings over the last academic year

1.50 The trust **must** make available on request for public inspection:

- the agenda for every meeting of the trustees, local committees/governing bodies and committees
- the approved minutes of each meeting
- any report, document or other paper considered at each meeting.

1.51 The trust may exclude from any item any material relating to:

- a named teacher or other employee or proposed employee
- a named pupil or student at the academy, or candidate for admission or referral to it
- any matter which, by reason of its nature, the trustees are satisfied should remain confidential.

Disclosure and Barring Service (DBS) checks

1.52 Academy trusts **must** obtain enhanced DBS certificates for staff and supply staff as set out in the Independent School Standards and their funding agreements. Academy trust members, trustees, and committee members (including local committees/governing bodies) **must** also have an enhanced DBS certificate, which does not include a barred list check (unless they also engage in regulated activity).

Find out about DBS checks and regulated activity in schools within the statutory guidance Keeping children safe in education (KCSIE)

Part 2: Main financial requirements

The financial management requirements for academy trusts.

Financial oversight

2.1 Trustees and management **must** maintain robust oversight of the academy trust.

2.2 The trust **must** take full responsibility for its financial affairs, stewardship of assets and use resources efficiently to maximise outcomes for pupils.

Board meetings

2.3 Board meetings **must** take place at least 3 times a year, although trusts should consider meeting more frequently to discharge their responsibilities.

Scheme of delegation

2.4 The board cannot delegate overall responsibility for the academy trust's funds. However, it **must** approve a written scheme of delegation of financial powers that maintains robust internal controls. The scheme of delegation should be reviewed annually, and at the next available board meeting when there has been a change in trust management or organisational structure that would impact the effectiveness of any existing scheme of delegation.

2.5 The academy trust should have a finance committee to which the board delegates financial scrutiny and oversight, and which can support the board in maintaining the trust as a going concern.

Basic control principles

2.6 The academy trust **must** have sound internal control, risk management and assurance processes. This should follow a tiered approach comprising:

- clearly communicated procedures, structures and training of staff
- appropriate day to day supervision and checks by management
- internal scrutiny overseen by an audit and risk committee
- external audit and assurance.

2.7 The control framework **must**:

- ensure delegated financial authorities are complied with
- maintain appropriate segregation of duties
- co-ordinate the planning and budgeting process

- apply discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- plan and oversee capital projects including those relating to estates safety
- manage and oversee assets, and maintain a fixed asset register
- ensure regularity, propriety and value for money in the organisation's activities
- ensure a risk register is maintained and reviewed by the board drawing on advice provided to it by the audit and risk committee
- reduce the risk of fraud and theft
- deliver independent checking of controls, systems, transactions and risks.

Find out how the trustees **must** ensure internal control and risk management is scrutinised and operating effectively.

Financial planning

2.8 The board of trustees **must:**

- ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- take a longer term view of the trust's financial plans consistent with the requirement to submit three-year budget forecasts to ESFA
- set a policy for holding reserves, and explain it in its annual report, including a clear plan for managing reserves.

Find out more about:

- Charity reserves: building resilience (CC19)
- Academy trust reserves good practice guide

Setting a budget

2.9 The board of trustees, and any separate committee responsible for finance, **must** ensure rigour and scrutiny in budget management.

2.10 The board of trustees **must** approve and minute their approval of a balanced budget, and any significant changes to it, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years.

2.11 The board **must** ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets, and reflect lessons learned from previous years.

2.12 It should challenge pupil number estimates as these underpin revenue projections, and review these termly.

2.13 Boards are encouraged to take an integrated approach to curriculum and financial planning.

2.14 Boards should refer to DfE's material on improving school resource management including the top 10 planning checks for boards. To help manage capital assets and budgets, including the safety of pupils and others on the school estate, they should refer to the Good estates management for schools guidance including the organisation self-assessment tool, top 10 estate checks for boards and material on strategic estate management.

Find out more to help with financial planning, financial performance and resource management, including tools for:

- financial benchmarking
- school resource management self-assessment checklist
- school financial efficiency metrics
- view my financial insights, which provides trusts with an assessment of their financial data based on similar schools
- financial support for academy trusts in financial difficulty

Sending your budget to ESFA

2.15 The academy trust **must** submit to ESFA, in a form specified by ESFA, an Academies budget forecast return (BFR) by the end of August.

2.16 This **must** be approved by the trustees before submission.

2.17 The board of trustees **must** notify ESFA within 14 calendar days of its meeting, if proposing to set a deficit revenue budget for the current financial year, which it cannot address after taking into account unspent funds from previous years, as this would be non-compliant with the funding agreement and this handbook.

Find out more about:

- submitting your budget returns to ESFA
- deficit recovery

Monitoring the budget

2.18 The trust **must** prepare management accounts, including an income and expenditure account, variation to budget report, cash flow forecasts and balance sheet every month setting out its financial performance and position.

2.19 Management accounts **must** be shared with the chair of trustees every month and the board **must** consider these when it meets and be assured that it has appropriate oversight of the trust's financial position.

2.20 The board **must** ensure appropriate and timely action is being taken to maintain financial viability, including addressing variances between the budget and actual income and expenditure.

Find out more from ESFA about:

- management accounting and operating as a going concern

Cash management

2.21 The trust **must** manage its cash position robustly. It **must** avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.

Investments

2.22 The board of trustees may invest to further the trust's charitable aims, but **must** ensure investment risk is properly managed. When considering an investment the board **must**:

- have an investment policy to manage and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation
- ensure investment decisions are in the trust's best interests
- review the trust's investments and investment policy regularly.

2.23 The board should follow the Charity Commission's guidance: CC14 Investing charity money: guidance for trustees.

Procurement and spending decisions

2.24 The academy trust **must** be able to show that public funds have been used as intended by Parliament.

Procurement basics

2.25 The academy trust **must** ensure:

- spending has been for the purpose intended and there is propriety in the use of public funds including in relation to any actual or perceived conflicts of interest.
- spending decisions represent value for money
- internal delegation levels are applied
- a competitive procurement procedure is in place and incorporated into the trust's financial framework, and the procurement rules and thresholds in the Public Contracts Regulations 2015[1] and Find a Tender service are observed
- professional advice is obtained where appropriate.

2.26 Trusts should refer to the Buying for schools: how to buy what you need tool to help obtain value for money and apply relevant procurement regulations.

Find out more about:

- buying for schools: how to buy what you need
- meeting digital and technology standards in schools and colleges
- how to compare your costs against other schools and access the school financial benchmarking tool
- additional guidance in annex 4.6 of Managing Public Money
- the duty for companies to report their payment practices and performance.

Setting executive pay

2.27 The board of trustees **must** ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration.

[1] The Public Contracts Regulations 2015 will be superseded by the Procurement Regulations 2024 when it comes into force in October 2024.

2.28 The board **must** discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable, including:

- an agreed process for determining executive pay
- independent scrutiny by the board
- robust decision-making
- proportionality – that pay and benefits represent good value for money and are defensible relative to the public sector market
- documented decision-making with rationale
- a basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term
- understanding that inappropriate pay and benefits can be challenged by ESFA, particularly in instances of poor financial management of the trust.

Publication of executive pay

2.29 The trust **must** publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, for the previous year ended 31 August. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments. Where the academy trust has entered into an off-payroll arrangement with someone who is not an employee the amount paid by the trust for that person's work for the trust **must** also be included in the website disclosure where payment exceeds £100k as if they were an employee.

Tax arrangements for senior employees

2.30 The academy trust **must** ensure its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance about the employment arrangements of individuals on the avoidance of tax. This is described in HM Treasury's Review of the Tax Arrangements of Public Sector Appointees, which explains that senior managers with significant financial responsibilities should be exclusively on payroll, and therefore subject to Pay As You Earn with income tax and NI contributions deducted at source. Failure to comply with these requirements can result in a HM Treasury fine.

Electric Vehicle (EV) Salary Sacrifice Schemes

2.31 Academy trusts **must** approach ESFA to seek approval for the following transactions:

- entering into a new electric vehicle salary sacrifice scheme

- accepting any further employees onto an existing electric vehicle salary sacrifice scheme.

You **must** contact ESFA early in the planning stage, both in relation to new schemes and accepting further employees onto existing schemes.

Find out more about:

- Setting executive salaries: guidance for academy trusts
- Principles for setting executive pay from the Confederation of School Trusts
- Executive pay: considerations for trustees setting executive leader pay in an academy trust from the National Governance Association
- Staffing and employment advice for schools
- List a teaching job at your school on Teaching Vacancies

Purchase of alcohol

2.32 The trust's funds **must not** be used to purchase alcohol for consumption, except where it is to be used in religious services.

Income generation

2.33 The academy trust should set fees for its chargeable services at full cost, but can apply an additional rate of return when in a commercial environment.

2.34 For the provision of mainstream boarding places, trusts **must** charge on a full cost recovery basis applying a rate of return of 8% on boarding charges. Fees and charges should be determined in accordance with ESFA's guidance on Managing boarding provision and annex 6.1 of Managing Public Money.

Risk management

Oversight of risk and the risk register

2.35 The trust **must** manage risks to ensure its effective operation. This includes the following aspects.

- The trust **must** maintain a risk register.
- Overall responsibility for risk management, including ultimate oversight of the risk register, **must** be retained by the board of trustees, drawing on advice provided to it by the audit and risk committee.

- Other committees may also input into the management of risk at the discretion of the board
- Aside from any review by individual committees, the board should review the risk register frequently and **must** conduct a full review of it at least annually
- Risks management covers the full operations and activities of the trust, not only financial risks.

2.36 The trust's management of risks **must** include contingency and business continuity planning.

Find out more about:

- management of risk: principles and concepts including HM Treasury's suggested structure for a risk register
- risk management in ESFA's good practice guide

The risk protection arrangement

2.37 The academy trust **must** have adequate insurance cover in compliance with its legal obligations or be a member of the academies risk protection arrangement (RPA). Not all risks are covered in the RPA and therefore trusts with RPA cover may require additional commercial insurance.

2.38 The trust should consider the RPA unless commercial insurance provides better value for money. If the trust is not an RPA member, it should determine its own level of commercial insurance to include buildings and contents, business continuity, employers' and public liability insurance and other cover required.

2.39 The trust **must** cooperate with risk management auditors and risk managers, and implement reasonable risk management audit recommendations made to them.

Find out more about the risk protection arrangement.

Whistleblowing

Having a procedure

2.40 The trustees **must** agree a procedure for whistleblowing, and publish it on the trust's website, to protect staff who report individuals they believe are doing something wrong or illegal.

2.41 The trust should appoint at least one trustee and one member of staff, who other staff can contact to report concerns.

Informing staff

2.42 The trust **must** ensure all staff are aware of the whistleblowing process and how concerns will be managed.

2.43 Staff should know what protection is available to them if they report someone, what areas of malpractice or wrongdoing are covered in the trust's whistleblowing procedure, and who they can approach to report a concern.

2.44 The trust **must** ensure all concerns raised with them by whistleblowers are responded to properly and fairly.

Find out more at:

- whistleblowing for employees, including a definition of whistleblowing
- school complaints and whistleblowing, including how ESFA handles complaints about academies
- the whistleblowing charity Protect (formerly Public Concern at Work), which provides confidential independent advice about wrongdoing in the workplace.

Provision of information

General information requests

2.45 The academy trust **must** provide ESFA, or its agents, with information ESFA requires to meet funding requirements.

Information about key individuals in the trust

2.46 The trust **must** notify DfE of changes to the governance information, described in this section within 14 calendar days of the change and update their website and Companies House accordingly.

2.47 Notification **must** be through the governance section of DfE's Get information about schools (GIAS) register, accessed using DfE Sign-in.

2.48 All mandatory fields specified in GIAS for the individuals **must** be completed and the trust **must** ensure its record in GIAS for the individuals is kept up to date.

2.49 The records required in GIAS for the trust are: members, chair of trustees, all other trustees, accounting officer, chief financial officer including direct contact details for all.

2.50 The records required in GIAS for constituent academies in a trust with multiple academies are: headteacher, chairs of local committees/governing bodies (where adopted), local governors (where adopted), including direct contact details for all.

Part 3: Internal scrutiny

The need for academy trusts to conduct checks to ensure systems are effective and compliant.

Purpose of internal scrutiny

3.1 All academy trusts **must** have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls, and risk management procedures are operating effectively.

Approach

3.2 Internal scrutiny **must** focus on:

- **evaluating** the suitability of, and level of compliance with, financial and non-financial controls
- **offering advice and insight** to the board on how to address weaknesses in financial and non-financial controls
- **ensuring all categories of risk** are being adequately identified, reported and managed.

3.3 The trust **must** identify on a risk-basis (with reference to its risk register) the areas it will review each year.

Working with other assurance providers

3.4 Internal scrutiny should take account of output from other assurance procedures to inform the programme of work - for example external audit and ESFA reviews.

Independence and objectivity

3.5 Independence in internal scrutiny **must** be achieved by establishing appropriate reporting lines, whereby those carrying out checks report directly to a committee of the board, which in turn provides assurance to the trustees.

Directing internal scrutiny – the audit and risk committee

Requirement for a committee

3.6 The academy trust **must** establish an audit and risk committee, appointed by the board.

- Trusts with an annual revenue income over £50 million **must** have a dedicated audit and risk committee
- Other trusts **must** either have a dedicated audit and risk committee or can combine it with another committee, such as finance.

3.7 The audit and risk committee should meet at least 3 times a year.

Remit of the committee in relation to internal scrutiny

3.8 The audit and risk committee **must**:

- oversee and approve the trust's programme of internal scrutiny
- ensure that risks are being addressed appropriately
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

Membership of the committee

3.9 Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.

3.10 The chair of trustees should not be chair of the audit and risk committee. Where the finance committee and audit and risk committee are separate, the chair should not be the same.

3.11 Where the audit and risk committee is combined with another committee, employees should not participate as members when audit matters are discussed.

Operating the committee

3.12 The committee **must**:

- have written terms of reference
- agree a programme of work annually to deliver internal scrutiny that provides coverage across the year, agree who will perform the work and consider their reports and the trust's progress in addressing recommendations
- review the ratings and responses on the risk register to inform the programme of work
- have access to the external auditor, as well as their internal scrutineers.

3.13 Oversight **must** ensure information submitted to DfE and ESFA that affects funding is accurate and complies with funding criteria.

Find out more in HM Treasury's audit committee handbook.

Delivering internal scrutiny

Principles

3.14 Internal scrutiny **must**:

- be independent and objective – for example it **must not** be performed by members of the senior leadership or finance team
- be conducted by someone suitably qualified and experienced and able to draw on technical expertise, as required
- be timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time
- include regular updates to the audit and risk committee by the internal scrutineers carrying out the programme of work, incorporating:
    - a report of the work to each audit and risk committee meeting
    - an annual summary report to the audit and risk committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.

3.15 Whilst the audit and risk committee is responsible for overseeing the internal scrutiny, the findings **must** also be made available to all trustees promptly.

Options

3.16 All trusts **must** deliver internal scrutiny in the way most appropriate to its circumstances. Options include any combination of:

- an in-house internal auditor
- a bought-in internal audit service
- the appointment of a non-employed trustee
- an independent peer review by the chief financial officer from another academy trust.

Trusts with an annual revenue income over £50 million should (and from 1 September 2025 **must**) deliver internal scrutiny using any combination of the following:

- an in-house internal auditor
- a bought-in internal audit service

All trusts, regardless of income levels, may also use other individuals or organisations where specialist non-financial knowledge is required.

3.17 To ensure those carrying out the programme of internal scrutiny work are suitably qualified and/or experienced:

- auditors should be members of a relevant professional body
- trustees and peer reviewers performing the work should have appropriate qualifications and/or experience relevant to the area being reviewed.

  Trusts should work towards this position where it is not already the case.

3.18 The trust **must** keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

External reporting and transparency

3.19 The trust **must** confirm in its governance statement, accompanying its annual accounts, which of the internal scrutiny options it has applied and why. The outcome of the work **must** also inform the accounting officer's statement of regularity in the annual accounts.

3.20 The trust **must** submit its internal scrutiny summary report to ESFA by 31 December each year when it submits its audited annual accounts. The trust **must** also provide ESFA with any other internal scrutiny reports, if requested.

Find out more in ESFA's internal scrutiny good practice guide, which:

- describes both financial and non-financial areas that internal scrutiny could cover, and
- provides a suggested structure for an internal scrutiny annual report.

Further information on internal audit is available at the Chartered Institute of Internal Auditors.

Part 4: Annual accounts and external audit

How academy trusts **must** report on their finances to give assurance to Parliament and the public about the use of resources.

Preparation and audit of accounts

4.1 The academy trust **must** maintain adequate accounting records and prepare an annual report and accounts in accordance with the Charity Commission's Statement of Recommended Practice (SORP) and ESFA's Accounts Direction.

4.2 The accounts **must** be audited.

4.3 The accounting period of an academy trust will end on 31 August.

4.4 The audited report and accounts **must** be:

- submitted to ESFA by 31 December
- published on the trust's website by 31 January
- filed with Companies House by 31 May
- provided to every member and to anyone who requests a copy.

Find out more about:

- preparation, audit and submission of your annual accounts in the Accounts Direction and Charites SORP
- the requirement to submit an annual confirmation statement to Companies House.

External auditors

Appointment of external auditors

4.5 Academy trusts **must** appoint an auditor to give an opinion on whether their annual accounts present a true and fair view of the trust's financial performance and position (appointment being by the members, other than where the Companies Act permits the trustees to appoint) and, as reporting accountant, provide a regularity assurance conclusion. Trusts should retender their external audit contract at least every 5 years and **must** consider the relevant points in 4.15 when evaluating.

4.6 The audit contract and regularity engagement **must** be in writing and **must** not cover other services. If additional services are purchased, a separate letter of engagement **must** be obtained specifying the work and the fee.

Find out more about choosing an external auditor.

Removal of external auditors

4.7 The letter of engagement **must** allow for removal of auditors, before the expiry of the term of office, in exceptional circumstances. Proposals to remove auditors **must** require a majority vote of the members, who **must** provide reasons for their decision to the board. There **must** be a requirement in the letter of engagement for the auditors to provide the trust with an explanation within 14 calendar days if the auditors resign.

4.8 The board of trustees **must** notify ESFA immediately of the removal or resignation of the auditors. For removal, the trust **must** notify ESFA of the reasons, copying to ESFA any statement received from the auditor on this matter. For resignation, the trust **must** copy to ESFA an explanation from the auditors. A change in auditor at the expiry of their agreed term of office does not require notification to ESFA.

Group auditors and sector account

4.9 DfE will consolidate each academy trust's accounts into a sector annual report and accounts (SARA). As each trust is a component of the SARA, the trust **must** prepare the financial information requested by DfE for this purpose.

4.10 Academy trusts' auditors will be required by DfE to audit certain information, and this requirement should be incorporated within the terms of engagement.

4.11 The National Audit Office (NAO) must reach an opinion on regularity for ESFA's own accounts, and for this will draw on the regularity conclusions of trusts' auditors.

Find out more about the academies sector annual report and accounts.

Review of regularity

Accounting officer's statement

4.12 An accounting officer's statement on regularity, propriety and compliance **must** be included in the academy trust's annual accounts. This is a declaration by the accounting officer that they have met their responsibilities to Parliament for the resources under their control during the year.

Auditor's review of regularity

4.13 A review of the accounting officer's statement **must** be included within the remit of academy trusts' external auditors. The auditor's conclusions on regularity **must** be addressed jointly to the trust and ESFA.

Find out more about the accounting officer's statement and review of regularity in the Accounts Direction.

External audit oversight and findings – the audit and risk committee

4.14 The board of trustees, taking advice from the audit and risk committee, **must** ensure there is an appropriate, reasonable and timely response by the trust's management team to findings by external auditors, taking opportunities to strengthen systems of financial management and control.

4.15 Specifically the audit and risk committee **must**:

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering - considerations may include:
    - the auditor's sector expertise
    - their understanding of the trust and its activities
    - whether the audit process allows issues to be raised on a timely basis at the appropriate level
    - the quality of auditor comments and recommendations in relation to key areas
    - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
    - the auditor's use of technology
- report the committee's conclusions annually to the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

Part 5: Delegated authorities

The financial freedoms and limits applying to academy trusts.

Requirement to obtain ESFA approval

5.1 The academy trust has autonomy over financial transactions arising in the normal course of business. However, some transactions have delegated authority limits beyond which trusts **must** obtain prior ESFA approval, using the customer help portal, regardless of the source of funds.

5.2 Trusts **must** ensure they understand and comply with the schedule of delegated authorities set out in section 5.61. ESFA may intervene where trusts do not seek the required ESFA approval in advance.

Use the customer help portal contact form to request ESFA approval for any transactions beyond the academy trusts delegation limits. Such approval **must** be sought before the transaction takes place.

Disclosure

5.3 Irrespective of whether ESFA approval is required, the academy trust **must** disclose aggregate figures for transactions of any amount, and separate disclosure for individual transactions above £5,000, in its audited accounts for the following transactions:

- special payments – compensation [5.15]
- special payments – ex gratia [5.17]
- writing off debts and losses [5.19]
- guarantees, letters of comfort and indemnities [5.19]
- acquisition or disposal of freehold land and buildings [5.23]
- disposal of heritage assets [5.23]
- taking up or granting a leasehold on land and buildings [5.26]
- gifts by the trust [5.32].

5.4 The following transactions **must** be disclosed in total, and individually:

- special payments – staff severance, of any value [5.8].

5.5 Other than what is required under financial reporting standards, the Charities SORP and the Accounts Direction, disclosure can be anonymised.

Novel, contentious or repercussive transactions

5.6 Novel, contentious or repercussive transactions **must** always be referred to ESFA for approval, and the request **must** be made to ESFA before the transaction occurs.

- Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business
- Contentious transactions are those that may cause criticism of the trust by Parliament, the public or the media
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

Special payments

5.7 Certain transactions by public bodies may fall outside their usual planned range of activity and may exceed statutory and contractual obligations. HM Treasury calls these special payments, (see annex 4.13 of Managing Public Money), and are subject to greater control than other payments. They include:

- staff severance payments
- compensation payments
- ex gratia payments.

Special staff severance payments

5.8 Special staff severance payments are paid to employees outside statutory or contractual requirements when leaving public employment. They are different to ex gratia payments.

5.9 If an academy trust is considering a staff severance payment above statutory or contractual entitlements, it **must** consider the following issues before making a binding commitment:

- that the proposed payment is in the trust's interests
- whether the payment is justified, based on legal assessment of the trust's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified, especially if the costs of a defence are likely to be high. Where a legal assessment suggests the trust is likely to be successful, a settlement should not be offered
- if the settlement is justified, the trust would need to consider the level of settlement - this **must** be less than the legal assessment of what the relevant body (for example an employment tribunal) is likely to award.

5.10 Staff severance payments should not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only

acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to succeed in an employment tribunal because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

5.11 Where the academy trust is considering a staff severance payment, including a non-statutory/non-contractual element of £50,000 or more, (gross, before income tax or other deductions), ESFA's prior approval **must** be obtained before making any offer to staff. ESFA will refer such transactions to HM Treasury, so trusts should allow sufficient time for proposals to be considered.

5.12 Settlements **must** not be accepted unless satisfying the conditions in this handbook and in ESFA's guidance and submission template.

5.13 Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments, academy trusts **must** obtain prior ESFA approval before making a special staff severance payment where:

- an exit package which includes a special severance payment is at, or above, £100,000; or
- the employee earns over £150,000.

Find out more about severance payments.

Use of confidentiality clauses

5.14 Academy trusts must ensure confidentiality clauses associated with staff severance payments do not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998.

Compensation payments

5.15 Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property. If an academy trust is considering a compensation payment, it **must** base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money.

5.16 Academy trusts have delegated authority to approve individual compensation payments provided any non-statutory or non-contractual element is under £50,000. Where the trust is considering a non-statutory or non-contractual payment of £50,000 or more, ESFA's prior approval **must** be obtained. ESFA will refer such transactions to HM Treasury.

Ex gratia payments

5.17 Ex gratia payments are another type of transaction going beyond statutory or contractual cover, or administrative rules. Annex 4.13 of Managing Public Money provides examples, including payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

5.18 Ex gratia transactions **must** always be referred to ESFA for prior approval. HM Treasury approval may also be needed. If trusts are in doubt about a proposed transaction, they should seek ESFA advice.

Write-offs and entering into liabilities

5.19 The academy trust **must** obtain ESFA's prior approval for the following transactions beyond the delegated limits described below:

- writing-off debts and losses
- entering into guarantees or letters of comfort
- entering into indemnities which are not in the normal course of business.

Find out more about:

- handling contractual indemnities (in the normal course of business.)
- additional guidance in annex 5.4 of Managing Public Money

5.20 The delegated limits, are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous 2 financial years - this category includes new trusts that have not had the opportunity to produce 2 years of audited accounts
- cumulatively, 5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous 2 financial years.

5.21 In relation to these limits:

- the trust should always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled

- the trust should only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative
- the amounts for write-offs are before successful claims from an insurer or the risk protection arrangement
- total annual income is defined as grant income as disclosed in the trust's last audited accounts - ESFA should be contacted, if the trust has not yet published their first audited accounts.

5.22 Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options.

Acquisition and disposal of fixed assets

5.23 Academy trusts **must** obtain prior approval from ESFA for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

5.24 Other than land, buildings and heritage assets, trusts can dispose of other fixed assets without ESFA's approval subject to achieving the best price that can reasonably be obtained, and maintaining the principles of regularity, propriety and value for money.

Find out more about submitting a school land transaction proposal.

Leasing

5.25 Under UK financial reporting standards applicable to academy trusts, there are 2 types of lease:

- finance leases: these are a form of borrowing
- operating leases: these are not borrowing.

5.26 Trusts **must** obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

5.27 Other than the these, trusts do not require ESFA's approval for operating leases.

5.28 Trusts **must** ensure any lease maintains the principles of value for money, regularity and propriety. Trusts should seek advice from their professional adviser or external auditor if they are in doubt over whether a lease involves borrowing.

Find out more in ESFA'S leasing good practice guide, which includes information on distinguishing between the two types of lease.

Managing General Annual Grant (GAG)

Managing surplus GAG

5.29 ESFA previously set limits on GAG carried forward by trusts from year-to-year. These limits have now been removed for eligible trusts (see section 5.56).

Pooling of GAG by trusts with multiple academies

5.30 The ability to amalgamate and direct funds to meet improvement priorities and need across the trust's schools can be integral to a trust's successful financial operating model. A trust with multiple academies can amalgamate GAG for its academies to form one central fund. This practice can enhance a trust's ability to allocate resources in line with improvement priorities and running costs across the trust's constituent academies.

5.31 If a trust decides to pool GAG, it **must** consider the funding needs and allocations of each constituent academy. The trust **must** have an appeals mechanism and an appeal can be escalated to ESFA, if not resolved. ESFA's decision will be final and can result in the pooling provisions being dis-applied. A trust **must not** pool Private Finance Initiative (PFI) funding, in accordance with its funding agreement.

Gifts

5.32 Academy trusts should have a policy and register on the acceptance of gifts, hospitality, awards, prizes or other benefits that may compromise their judgment or integrity and should ensure all staff are aware of it. When making gifts, the trust **must** ensure the value is reasonable, is within its scheme of delegation, the decision is documented, and achieves propriety and regularity in the use of public funds.

Borrowing

5.33 Academy trusts **must** obtain ESFA's prior approval for borrowing (including overdraft facilities, but excluding finance leases on the DfE approved list) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable. Credit cards **must** only be used for business expenditure, and balances cleared before interest accrues.

5.34 Permission for borrowing is only allowed in exceptional circumstances, such as schemes introduced by the Secretary of State for Education - for example the department's Condition Improvement Fund.

Related party transactions

5.35 This part of the handbook deals with goods or services provided by or to individuals or organisations related to the academy trust.

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (for example, parent and subsidiary companies, key management personnel and close family members).

The above description is not comprehensive. Find the full definition in:

- section 33 of Financial Reporting Standard 102
- section 9.15 and appendix 1 of the Charities SORP

The related parties section of ESFA's Academies Accounts Direction provides further information.

Principles applying to related party relationships

5.36 Academy trusts **must** be even-handed in their relationships with related parties by ensuring that:

- trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements
- all members, trustees, local governors of academies and senior employees complete the register of interests, in accordance with sections 1.45 to 1.48 of this handbook
- no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust
- there are no payments to trustees by the trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State for Education - trusts will need to consider these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest
- the Charity Commission's approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee
- payments provided to the persons referred to in section 5.45 satisfy the 'at cost' requirements in this handbook.

5.37 The trust should be aware of the Charity Commission's guidance for trustees CC11: Trustee expenses and payments.

5.38 The board of trustees **must** ensure requirements for managing related party transactions are applied across the trust. The board chair and the accounting officer **must** ensure their capacity to control and influence does not conflict with these requirements. They **must** manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with The 7 principles of public life.

5.39 Trusts **must** recognise that some relationships with related parties may attract greater public scrutiny, such as:

- transactions with individuals in a position of control and influence, including the board chair and accounting officer
- payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- relationships with external auditors beyond their duty to deliver a statutory audit and, as reporting accountant, their regularity assurance review.

5.40 The trust **must** keep sufficient records, and make sufficient disclosures in their accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

Reporting and approval of related party transactions

5.41 Trusts **must** report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing or being renewed, using ESFA's related party on-line form.

5.42 Trusts **must** obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 September 2023 where a contract or other agreement exceeds £40,000 in the same financial year ending 31 August.

This approval requirement does not apply in the following circumstances:

- contracts and other agreements for the supply of goods or services to a trust by the following educational establishments:
    - colleges, universities and schools which are sponsors of the academy trust
    - state funded schools and colleges, including academy trusts.

  This concession does not apply to transactions with a subsidiary of such a related party.

- the provision of services to an academy trust with a religious designation, for essential functions fundamental to the academy trust's religious character and ethos which can only be provided by their religious authority.

5.43 For the purposes of reporting to and approval by ESFA, contracts and agreements with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

Find out more about reporting related party transactions to ESFA and obtaining approval.

Approval of novel, contentious or repercussive related party transactions

5.44 Novel, contentious or repercussive related party transactions are subject to separate arrangements. Trusts **must** obtain ESFA's prior approval for any contracts and other agreements with related parties that are novel, contentious or repercussive, regardless of value. Approval **must** be sought using ESFA's related party on-line form. Trusts should carefully consider the impact of this requirement

and its relevance to transactions involving the board chair and/or the accounting officer.

At cost requirements

5.45 Subject to sections 5.50 to 5.53 a trust **must** pay no more than 'cost' for goods or services ('services' do not include contracts of employment) provided to it by the following persons ('persons' meaning both individuals and organisations):

- members or trustees of the academy trust
- individuals or organisations related to a member or trustee of the academy trust - for these purposes the following persons are related to a member, or trustee:
    - a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
    - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
    - a company in which a member or the relative of a member (taken separately or together), or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
    - an organisation controlled by a member or the relative of a member (acting separately or together), or a trustee or the relative of a trustee (acting separately or together) - for these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- any individual or organisation given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or any body connected to such individual or organisation
- any individual or organisation recognised by the Secretary of State for Education as a sponsor of the academy trust; or any body connected to such individual or organisation.

5.46 A body is connected to another individual or organisation, if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- holding more than 20% of the share capital (or equivalent interest), or
- having the equivalent right to control management decisions of the body, or
- having the right to appoint or remove a majority of the board or governing body.

5.47 The ‘at cost’ requirement does not apply to the trust’s employees unless they are also one of the parties described in section 5.45.

5.48 While these provisions do not apply to contracts of employment, the principles of value for money and using public money properly, including managing conflicts of interest, still apply. Salaries should be appropriate to the individual’s skills and experience and to wider market rates.

5.49 If staff of an individual or organisation in section 5.45 are based in, or work from the premises of, the academy trust, that individual or organisation and the trust **must** agree an appropriate sum to be paid to the trust for use or occupation of the premises, save to the extent that they are carrying out work for the trust.

5.50 The ‘at cost’ requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust’s cumulative annual total with the related party beyond £2,500, the element above £2,500 **must** be at no more than cost.

5.51 In relation to organisations supplying legal advice or audit services to the academy trust, the ‘at cost’ requirement applies where the organisation’s partner managing the service is a member or trustee of the trust, but not in other cases for those organisations. The published ethical standards for auditors prevent partners or employees of the audit firm from acting as a trustee of their client trust, but not of other trusts.

5.52 For academies with a religious designation, the provision of services to protect and develop their religious character and ethos, which can only be provided by their religious authority, are regarded as meeting the “at cost” requirement.

5.53 For academy trusts:

- with a college, university or school which is a sponsor of the academy trust, or
- transacting with any other state funded school (including an academy) or college

the provision of goods and/or services by that sponsor, state funded school or college are regarded as meeting the "at cost" requirement. This does not apply to transactions with a subsidiary of such a related party.

5.54 Academy trusts **must** ensure any agreement with an individual or organisation referred to in section 5.45 to supply goods or services to the trust is properly procured through an open and fair process and is:

- supported by a statement of assurance from that individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services, and
- on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

5.55 For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services and **must not** include any profit. Full cost includes:

- all direct costs (costs of materials and labour used directly in producing the goods or services)
- indirect costs (a proportionate share of fixed and variable overheads).

Find out more about the 'at cost' statement of assurance.

Applicability of delegations and freedoms

5.56 Some delegations and freedoms in part 5 of this handbook that go beyond the trust's funding agreement do not apply to those trusts. They do not apply to trusts that are party to one or more funding agreements that:

- allow one or more of its academies to receive GAG based on estimated pupil numbers regardless of whether they are being funded on that basis, and
- allow the Secretary of State for Education to recover GAG from those academies if estimated pupil numbers exceed census-based pupil numbers beyond a specified percentage, and
- do not require a move to pupil census-based funding permanently.

5.57 A move permanently means:

- the academy is subject to a funding agreement moving it to pupil census-based funding within a specified number of years, after which the agreement provides for it to be funded only in that way, or
- in the case of a free school, it is subject to a funding agreement moving it to pupil census-based funding when all cohorts relevant to the age range have some pupils present; and allows the Secretary of State for Education to recover all additional GAG from the free school, if estimated pupil numbers exceed census-based pupil numbers.

5.58 The delegations and freedoms in the handbook that do not apply to trusts on estimates-based GAG funding are those relating to:

- acquisition and disposal of fixed assets (5.23)
- leaseholds and tenancy agreements of land and buildings (5.26)
- carry forward of unspent GAG from one year to the next (5.29)
- pooling of GAG (5.30).

5.59 The freedoms do not apply until the trust's funding agreements are updated to move all academies within the trust to pupil census-based funding permanently, as defined above.

5.60 In the case of a trust with multiple academies, if one or more of its constituent academies does not meet the criteria above for access to the delegations and freedoms, all academies within the trust will be unable to access the delegations and freedoms.

Summary of freedoms and delegations

5.61 This summary is not a substitute for the full handbook. Trusts' delegated authorities are subject to the conditions in section 5.56. Trusts under a notice to improve will have their delegated authorities revoked under section 6.18.

Type of transaction	Delegation
Novel, contentious and repercussive transactions	ESFA agreement required [5.6]
Staff severance and compensation	ESFA agreement required if £50,000 or more before tax [5.11 and 5.16]
Ex gratia payments	ESFA agreement required [5.18]
Writing-off debts and losses (subject to £250,000 ceiling)	ESFA consent required if exceeds: • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively [5.19 and 5.20]
Entering into indemnities (beyond the normal course of business), guarantees or letters of comfort (subject to £250,000 ceiling)	ESFA consent required if exceeds: • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively [5.19 and 5.20]
Acquiring freehold land/buildings	ESFA agreement required [5.23]
Disposing of a freehold on land/buildings	ESFA agreement required [5.23]
Disposing of heritage assets	ESFA agreement required [5.23]
Other asset disposals	Trust has full discretion [5.24]
Taking up a finance lease not on the approved list	ESFA agreement required [5.26]

Type of transaction	Delegation
Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [5.26]
Taking up any other lease	Trust has full discretion [5.25]
Granting a lease on land and buildings	ESFA agreement required [5.26]
GAG carry forward	No limits if trust eligible [5.29]
Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible [5.30]
Loan, overdraft	ESFA agreement required [5.33]
Credit cards (for business use)	Trust has full discretion provided charges not incurred [5.33]
Supplies to the trust from related parties	ESFA agreement required over £40,000 and over associated limits in [5.42] unless exempt as set out in [5.42]

Part 6: The regulator and intervention

How DfE and ESFA oversees academy trusts and may intervene where concerns arise.

Oversight

6.1 ESFA's accounting officer is accountable to Parliament for how ESFA uses its funds and is personally responsible for the regularity, propriety and value for money of its expenditure.

6.2 ESFA's accounting officer will send a 'Dear Accounting Officer' letter on occasion to academy trust accounting officers. Accounting officers **must** share it with their members, trustees, chief financial officer and senior leadership team, arrange for the board to discuss it and take action, if necessary, to strengthen financial controls.

Access rights

6.3 DfE, ESFA or its agents may carry out audits and investigations at an academy trust. The trust **must** provide DfE or ESFA with access to all books, records, information, explanations, assets, premises and staff, and DfE or ESFA may take copies of relevant documents.

Investigations: Third party documentation

6.4 Where DfE or ESFA has concerns about financial management or governance at an academy trust, it may wish to obtain from third parties information or documentation about the trust which DfE or ESFA considers relevant for the purposes of its investigation. Academy trusts **must** provide DfE or ESFA with written authority, giving permission for any third party to provide such information and documentation to DfE or ESFA or its agents on request of DfE or ESFA.

Retention of records

6.5 The trust **must** retain records to verify provision delivered by it, or its sub-contractors, in relation to this handbook and its funding agreement, at least 6 years after the period to which funding relates.

Find out more about Record keeping and retention information for academies and academy trusts.

Financial management and governance assurance

6.6 All trusts **must** complete the School resource management self-assessment checklist and submit their completed checklist to ESFA by the specified annual deadline. New operational academy trusts **must** complete a financial management and governance self-assessment (FMGS) and submit it to ESFA within 3 months of opening their first academy.

6.7 To gain assurance over financial arrangements at academy trusts, ESFA will conduct financial management reviews, examining whether systems and control comply with the handbook.

Find out more about the financial management and governance self-assessment.

Funding audit

6.8 Funding audits allow ESFA to gain assurance on the pupil census and free school meals entitlement data, provided by an academy trust to calculate its recurrent funding and establish whether this data is accurate and supported by evidence. The scope and timing of funding audits are determined annually.

Fraud, theft, irregularity and cybercrime

6.9 Academy trusts **must** be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls. Trusts **must** take appropriate action where fraud, theft or irregularity is suspected or identified.

6.10 The board of trustees **must** notify ESFA, as soon as possible, of all instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, **must** also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

6.11 ESFA may conduct or commission investigations into actual or potential fraud, theft or irregularity in any academy trust, either because of a notification from the trust itself or from other information received. ESFA may involve other authorities, including the police.

6.12 ESFA publishes reports about its investigations and about financial management and governance reviews at academy trusts.

6.13 ESFA also publishes guidance on reducing fraud. Trusts should refer to this and to the findings from ESFA's investigation reports, as part of its risk management approach.

Cybercrime

6.14 Academy trusts **must** also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. Trusts should take appropriate action to meet DfE's cyber security standards, which were developed to help them improve their resilience against cyber-attacks.

6.15 Trusts **must** obtain permission from ESFA to pay any cyber ransom demands. ESFA supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

Find out more about:

- managing the risk of fraud and reporting it to ESFA
- National Cyber Security Centre

Intervention powers

6.16 Where DfE or ESFA has concerns about financial management or governance in an academy trust, the department may issue, and publish, a Notice to Improve (NtI).

Examples of when a NtI may be issued on financial management grounds include:

- an actual or projected deficit
- cash flow problems
- insolvency risk
- irregular use of public funds
- poor internal scrutiny
- breaches of related party requirements.

Examples of when a NtI may be issued on governance grounds include:

- the trust board not being properly constituted
- trustees failing to comply with their safeguarding duties

- trustees lacking the skills, knowledge and experience to exercise effective oversight of the trust's operations and performance, including educational performance[2]
- trustees and the executive failing to manage their school estate and maintain it in a safe working condition strategically and effectively.

6.17 A NtI describes what a trust **must** do to address concerns about financial management or governance. The trust **must** comply with the NtI. Failure to comply will be deemed a funding agreement breach. The funding agreement may be terminated due to non-compliance with a NtI.

6.18 If a NtI is issued, the delegated authorities in sections 5.7 to 5.31 of this handbook may be revoked, and all transactions of this nature **must** be approved in advance by ESFA, specifically:

- special staff severance payments
- compensation payments
- writing off debts and losses
- entering into guarantees, indemnities or letters of comfort
- disposals of fixed assets beyond any limit in the funding agreement
- taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement
- carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement
- pooling of GAG

The trust may also be prevented from entering into transactions with related parties without approval. These delegated authorities shall be returned once the NtI has been complied with, and improvement is sustainable.

6.19 The department will notify the trust of the date on which the department has published the NtI. The trust **must** then publish the NtI on its own website within 14 days and retain it on the website until the NtI is lifted by the department.

Find out more about Notice to Improve (NtI).

[2] The department will engage with the sector in developing its approach to intervention, including the process to be followed by the department's Regions Group and the evidence that they will rely on to determine the strength of trustees' oversight of educational performance.

Secretary of State for Education directions

6.20 Where the Secretary of State for Education has concerns about an individual managing an academy trust, they may take action to address those concerns.

6.21 Subject to the relevant provisions being present in the trust's funding agreement, the Secretary of State for Education can require the trust to remove a member or trustee. This can include where the individual has been convicted, cautioned or engaged in relevant conduct and, as a result, the Secretary of State for Education considers them unsuitable to take part in management of the academy trust.

6.22 The Secretary of State for Education can also make directions under section 128 of the Education and Skills Act 2008 prohibiting individuals from taking part in academy trust management. This could prevent an individual from acting as a trustee or executive leader of a trust. The circumstances are prescribed in regulations, but can include where the individual is subject to a caution or conviction or has engaged in relevant conduct, and the Secretary of State for Education considers that because of that caution, conviction or conduct that individual is unsuitable to take part in management of a school.

ESFA work with the Charity Commission

6.23 Where there is a concern, DfE/ESFA may refer trusts to the Charity Commission, reflecting the Commission's interest in addressing non-compliance with legal or regulatory requirements or misconduct or mismanagement in the administration of any charity, and in ensuring individuals running the charity (in particular, but not limited to, the trustees) do so in compliance with their legal duties. The Commission may use its regulatory powers as described in its Memorandum of Understanding with DfE.

Find out more about the Memorandum of Understanding between DfE and the Charity Commission.

Find out about the automatic disqualification rules for individuals acting as senior managers or trustees in charities.

ESFA work with the Insolvency Service

6.24 ESFA may refer academy trustees, as directors, to the Insolvency Service who may consider whether the conduct of a director is such that they are unfit to be involved in management of a company and whether or not it would be in the public interest for a disqualification order to be sought.

ESFA approach to academy resource management

6.25 Where ESFA has concerns about financial management of a trust, it may prescribe working with an expert in school resource management, such as a School Resource Management Advisor (SRMA). Trusts should make reasonable endeavours to implement improvements identified by an SRMA. Failure to do so may result in an NtI being issued. Working with an SRMA may also be prescribed as a condition of an NtI.

Find out more about:

- financial planning and resource management
- School resource management: case studies

National Audit Office and Public Accounts Committee

6.26 The NAO has the right to access the accounts and relevant records of an academy trust for inspection, or for value for money studies. The trust **must** cooperate with NAO and their contractors and provide help, information and explanation as is reasonable and necessary.

6.27 The NAO's findings are considered by the Public Accounts Committee (PAC). The PAC has power to call anyone, including past and current accounting officers of a trust, to account for proper use of public funds.

Part 7: Definitions

Help with terms used in this handbook.

Term	Definition
Accounting officer	The academy trust's senior executive leader, accountable for value for money, regularity and propriety.
Accounts Direction	ESFA's guide for academies on preparing their annual accounts.
Accounts return	A return based on academy trusts' annual accounts, required for the sector annual report and accounts, and for collecting benchmarking data.
Articles of association	The articles describe the trust's charitable object(s) and governance arrangements.
Chief executive	The senior executive leader and head of the management team of a trust with multiple academies. Trusts may use alternative descriptions such as executive principal.
Chief financial officer	The individual leading the finance department: e.g. finance director, business manager or equivalent.
Close family relationship	Family members who may be expected to influence, or be influenced by, that person in their dealings with the trust.
De facto trustee	A person not validly appointed as a trustee but exercising the functions that could only be properly discharged by a trustee. See also shadow directors.
Economy	Obtaining an outcome for the least possible input of resources.
Effectiveness	Obtaining the desired outcome.
Efficiency	Obtaining the best possible outcome for the resources input.
Financial management and governance self-assessment (FMGS)	A return to ESFA by new academies and trusts, where they self-assess their financial management arrangements.
Funding agreement	The agreement between the academy trust and the Secretary of State for Education, including funding arrangements, obligations and termination provisions.
General annual grant	Academy trusts' main revenue funding.
Propriety	Dealing with expenditure and receipts in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance.

Term	Definition
Regularity	Dealing with income and expenditure in accordance with legislation, the funding agreement, the handbook, and the trust's internal procedures. This includes spending public money for the purposes intended by Parliament.
Related party	Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (for example parent and subsidiary companies). This description is not comprehensive. A full definition is in section 33 of Financial Reporting Standard 102 and section 9.15 and appendix 1 of the Charities SORP. The related parties section of ESFA's Accounts Direction provides further information.
Risk protection arrangement	An alternative to insurance for academy trusts where losses are covered by government funds.
Shadow director	A person in accordance with whose directions or instructions the directors of a company are accustomed to act. See also de facto trustee.
Special payments	Payments outside the normal range of activities approved by Parliament and therefore requiring greater control, including ex gratia payments, staff severance payments, compensation payments and other extra-statutory or extra-contractual payments.
Value for money	Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.

Part 8: Further reading

Links to more information and guidance.

Accounting officer

Role of the accounting-officer (Confederation of School Trusts (CST))

'Dear Accounting Officer' letters (ESFA)

Annual accounts and audit

Academies Accounts Direction (ESFA)

Academies accounts return (DfE)

Accounting and reporting by charities: statement of recommended practice ('SORP') (Charity Commission)

Charity reporting and accounting: the essentials (CC15d) (Charity Commission)

Buildings

Condition Improvement Fund including links to terms and conditions (DfE)

School land transaction proposal (DfE)

Good estate management for schools (DfE)

The Trust Network

Charities

List of Charity Commission 'CC' guidance publications (Charity Commission)

Setting up and running a charity (Charity Commission)

Chief financial officer

Directory of school business professional networks (DfE)

Institute of School Business Leadership's professional standards

Conflicts of interest

Conflicts of interest: a guide for charity trustees (CC29) (Charity Commission)

Manage a conflict of interest in your charity (Charity Commission)

Executive pay

Setting executive salaries: guidance for academy trusts (ESFA)

Financial management

Budget forecast (DfE)

Charities and investment matters: a guide for trustees (CC14) (Charity Commission)

Financial management and governance self-assessment (ESFA)

Integrated curriculum and financial planning (DfE)

Schools financial benchmarking (DfE)

School resource management (DfE)

Fraud

Academies: guide to reducing fraud (ESFA)

Academies investigation reports (EFSA)

Whistleblowing

Funding

Academies revenue funding allocations (ESFA)

Funding for 16-19 year olds in schools (ESFA)

Income

Managing boarding provision (DfE)

Internal control

Internal financial controls for charities (CC8) (Charity Commission)

New trusts

Information for new academies (ESFA)

Procurement

Buying for schools (DfE)

Risk management

Charities and risk management (CC26) (Charity Commission)

Management of Risk – Principles and Concepts (HM Treasury)

Risk protection arrangement (DfE)

Tax

Charities and tax (HMRC)

Check employment status (HMRC)

PAYE (HMRC)

Review of the tax arrangements of public sector appointees (HM Treasury)

Trustees trading and tax: how charities may lawfully trade (CC35) (Charity Commission)

VAT (HMRC)

VAT: Refund scheme for academies (HMRC)

VAT registration (HMRC)

Severance payments

Academies severance payments (ESFA)

Trustees and governance

Academy trust governance guide (DfE)

Automatic disqualification of persons as charity trustees or senior managers (Charity Commission)

Board members of Public Bodies: Code of conduct (Cabinet Office)

Competency framework for governance (DfE)

Inspiring Governance

Making significant changes or closure (DfE)

Statutory policies for schools (DfE)

Sustainability and climate change strategy (DfE)

The Essential Trustee: What you need to know, what you need to do (CC3) (Charity Commission)

Trustee board: people and skills (Charity Commission)

Trustee expenses and payments (CC11) (Charity Commission)

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