HAT Technical

MEMO 04/23

To: Subscribers of the Manual
From: Andrew Jarvis
Date: 17 July 2023

HAT ACADEMIES METHODOLOGY – AUGUST 2023

The HAT Academies Methodology has been updated to reflect the requirements of the Academies Accounts Direction 2022-2023 and Academies Trust Handbook 2022 both published by the Education Skills and Funding Agency (ESFA). A summary of changes made are included in both documents and firms must familiarise themselves with these. However, their impact on the HAT Academies Methodology is not significant.

All updated schedules in the Methodology are dated '07/23' in the right-hand footer. The Methodology must be used in conjunction with the HAT Charities Audit and Independent Examinations Methodology – January 2022.

The main changes for users to be aware of are:

- Changes in the Accounts Direction to emphasise the need for academy trusts to consider their property (estates) when considering and *disclosing* key risks and value for money. However, the Framework and Guide for External Auditors and Reporting Accountants makes clear that no additional procedures are required from auditors or reporting accountants in this area;
- The impact of ISA (UK) 315 and ISA (UK) 240 which affect academy assignments for the first time – where relevant the methodology has been updated including clear referencing to our Charities methodology;
- The requirements of the ESFA July 2021 Supplementary Bulletin providing additional guidance in light of the COVID-19 pandemic have been removed as this unlikely to be relevant for current accounting periods. However, reference should still be made to this Bulletin if necessary.

The Accounts Direction and Framework and Guide for External Auditors and Reporting Accountants both highlight several recurring weaknesses which should be considered by auditors when assessing disclosure and it is recommended that all assignment teams familiarise themselves with these points.

We are always pleased to receive feedback on our documentation. If you have any comments, then please email andrew@hatgroup.co.uk