HAT
YOUR COMPLIANCE PARTNER

Memo 05/24

To: Subscribers of the Manual
From: Andrew Jarvis
Date: 25 July 2024

HAT Academies Methodology – August 2024

The HAT Academies Methodology has been updated to reflect the requirements of the 'Academies Accounts Direction 2023-2024' and associated model annual report 'Coketown' and 'Framework and Guide for External Auditors and Reporting Accountants' together with the 'Academies Trust Handbook 2023' all of which are published by the Education Skills and Funding Agency (ESFA). A summary of changes made is included in each document and firms must familiarise themselves with these.

All updated schedules in the Methodology are dated '07/24' in the right-hand footer. The Methodology must be used in conjunction with the HAT Charities Audit and Independent Examinations Methodology – January 2022 (12-23 Update).

The main changes are:

- We reflect the simplified rules (and higher threshold of £40,000) for seeking prior approval from ESFA for related party transactions in Appendix 2.3.
- The regularity work programme (Appendix 2.7) reflects new guidance on how the Accounting Officer should document their own assessment of regularity, propriety and compliance and requires consideration of whether the trust's board has the necessary skills and financial experience to hold management to account.
- The disclosure checklist (Appendix 3.3) has been updated to:
  - reflect the new requirement for the Governance Statement in the annual report to include a review of the effectiveness of the trust's system of internal control (paragraph 2.48 of the Direction);
  - reflect the removal in the Academies Trust Handbook to disclose if the board has not met at least six times during the year;
  - include separate disclosure of 16-19 core funding (paragraph 2.98 of the Direction); and
  - amend the disclosure of 'other employee benefits' (e.g. medical cover or accommodation) in paragraph 2.134 of the Direction.

Additionally, consideration of how to account for the premises from which the academy operates has been bolstered on Appendix 2.1.

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

A 15-minute overview of these changes and other developments in the academy sector this year can be accessed here. A more comprehensive overview of the sector and the key financial reporting and audit issues for all those working on these assignments is available to firms subscribing to our specialist CPD pack or can be purchased separately.