



MEMORANDUM

To: Technical Representatives
From: Andrew Jarvis
Date: 13 July 2017
Ref: TM 11/17

HAT ACADEMIES MANUAL ~ AUGUST 2017

The HAT Academies Manual has been updated to reflect the requirements of the Academies Accounts Direction 2016 to 2017, published by the Education and Skills Funding Agency (ESFA). The Manual is effective for periods ending 31 August 2017 and should be used in conjunction with the HAT Charities Manual (June 2016).

The main changes in the Manual affecting academies are as follows:

- Restructuring of the Manual to better align it to other HAT Manuals and to reflect the order that work will be undertaken in practice;
- Reflection of the replacement of the Education Funding Agency (EFA) with the Education and Skills Funding Agency (ESFA) earlier this year;
- Updating guidance to reflect the new requirement for the Annual Accounts Return (AAR) to be submitted online rather than via an Excel spreadsheet (and the consequential removal of the separate report regarding this);
- Reflection of the (relatively minor) changes in the Academies Accounts Direction 2016 to 2017, including new guidance on the accounting for land and buildings and certain minor additional disclosure requirements. NB: A summary of all changes made is included on page 6 of the Accounts Direction.

Chapter 4 of the Manual now covers the new reasonable assurance report required in connection with the **End of Year Certificate (EYOC) to Teachers' Pensions**, which most academies and other schools need to submit. This represents a more significant change and the following points are important to note:

- The work to be performed now constitutes a 'reasonable assurance' report, and therefore the scope of work and responsibility of the reporting accountant is increased;
- The work to be performed is set out in guidance from Teachers' Pensions in 'TPO5', a copy of which must be obtained from their [website](#) and reviewed;
- A standard tri-partite agreement between you, the school/academy and Teachers' Pensions must be put in place (Appendix 4.1.2. replicates the wording to be used);

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- Although TP05 sets out the basic work to be performed, the Manual includes a work programme which provides supplementary guidance, including what HAT consider the appropriate materiality level and sampling approach to be.

At the present time there is still some uncertainty about some aspects of the new requirements for the EOYC, including the amount at which the accountant and school can agree to limit the reporting accountant's liability. As more information becomes available, we will communicate this to firms.

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