



Services for Schools & Academies

Why your school should choose Mitchell Charlesworth?

Mitchell Charlesworth's experts have a wide range of experience with many different types of Academies and schools. Our team are able to work with Academies, independent school converters, state school converters and federations. This experience has allowed us to clearly understand the unique issues affecting your specialist sector.

How can we help your school?

According to the Department for Education (DfE), whilst converting provides you with greater autonomy over your decisions, schools becoming Academies need to carefully consider how they will obtain services previously provided by the local authority (LA), **this includes accountancy services.**

Following an initial assessment of your requirements, our Academies team can guide and support you in the following specialist areas:

- ✦ We can set up an accounting system for your school, including nominal ledger coding and fund accounting (consideration of various forms of restricted funding)
- ✦ We can ensure you meet your company secretarial obligations under company law, for example; Board meetings, AGM, Accounting Reference Date and Annual Returns
- ✦ We can undertake briefings to Governors and Responsible Officers to help them understand this governance function
- ✦ We will help with the preparation of Responsible Officer reports and other reports beyond the requirements of the Academies Financial Handbook if required

- ✦ We can increase your understanding of and compliance with various charity laws and regulations
- ✦ We can provide training and guidance to Governors about their roles and responsibilities as company directors and charity trustees
- ✦ We can ensure you meet your obligations to Local Government Pension Schemes and Financial Reporting Standard 17.

Switching to Academy Status?

Since the introduction of the Academies Act 2010, each passing month has seen more schools start down the path of conversion. This number is set to rise even further as applications are now welcomed from schools that can demonstrate that they are performing well.

Furthermore, the process is now much more streamlined than in the past, therefore, the timescales for getting your accounting function up to speed can be very short.

Before making the important decision to convert, it is vital that your governing body are fully aware of what the implications will be to both the school and to them of not just taking on the increased freedoms that come with academy status but also the responsibilities.

What Challenges must you face?

Converting to Academy status brings many new challenges for the Governors and staff of a school. These can range from areas such as:

- ✦ New financial systems
- ✦ Controls and procedures

www.mitchellcharlesworth.co.uk

Chester 01244 323 051 | Liverpool 0151 255 2300 | Manchester 0161 817 6100 | Widnes 0151 423 7500



Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Mitchell Charlesworth is the trading name of Mitchell Charlesworth LLP, registered in England and Wales number OC391811. A list of members is available for inspection at our offices. Any reference to a partner in relation to Mitchell Charlesworth LLP means a member of Mitchell Charlesworth LLP. Registered address: 3rd Floor, 5 Temple Square, Temple Street, Liverpool L2 5RH.



A member of Kreston International.
A global network of independent
accounting firms.

- Dealing with cash flow issues
- The requirements of the Companies Acts
- The provisions of the Charities Act.

Setting Up an Academy - how can you prepare for financial and regulatory compliance?

When establishing an Academy, there are various financial and regulatory compliance procedures that must be in place. Ensuring that all of these obligations are finalised before launching can be both time consuming and stressful.

By using our knowledge and experience, you can reduce the burden on your shoulders while gaining the peace of mind that your school has met its key requirements. Our experts can help your school board:

- By undertaking a due diligence review of the implications of conversion – including financial, governance and funding issues
- To identify any alternative sources of financial support that may be needed to plug any financial deficit, this may include the set-up of an endowment fund
- Establish financial regulations, procurement procedures and key finance policies and procedures
- Establish the opening financial position of your Academy; such as the transfer of surplus funds relating to the former school and ensuring that you get a fair value of land and other property transferred, in effect, by donation from the local authority, former foundation or other bodies
- Establish key accounting policies, particularly in reference to risk management, internal controls, reserves and financial management
- By providing guidance on your obligations attached to the Teachers Pension Scheme and the Local Government Pension Scheme which are complex areas to understand.

Payroll Services:

Mitchell Charlesworth's very own Payroll department will work with you to ensure that you meet all of your requirements as a newly formed Academy.

Insurance Solutions:

Should your school require any specific insurance cover, our own dedicated insurance division (MC Insurance Solutions) will ensure your school is covered, taking the burden from your shoulders.

How we would continue to support you once your Academy is formed:

It is likely that your school will already have a bursar or pre-existing finance function.

In our experience, these individuals greatly value the support provided by Mitchell Charlesworth as a result of the increased governance management and external accountability requirements associated with running an Academy and the added pressure this brings.

Specifically, our experts will help with:

- Accounting and Audit Services – such as the Preparation of Budgets, Forecasts, Tax Returns, Management Accounts and the provision of Responsible Officer services
- Your payroll requirements – through our own outsourced payroll department
- Completion of Teachers' Pension Scheme and TR17a returns
- Insurance Solutions – through our own dedicated broking service, MC Insurance Solutions
- Regular meetings and briefings with your own Financial Management Team, Board, Governors and Staff.

Adopting Best Practice in Schools – how together we pursue effective governance arrangements and regulatory compliance

Adopting good practice is fundamental to ensuring the success of your Academy. Mitchell Charlesworth strive to empower our schools and charities clients to meet their regulatory and legal requirements through guidance, templates, best practice tools and training.

Taxation and VAT Issues in Schools and Academies:

The aim of our specialist Tax department will always be to minimise the tax and VAT burden on your academy in relation to your operations, future capital developments and further income streams.

What's more, HM Revenue & Customs have increasingly been targeting schools in relation to employment tax matters. Our tax specialists will take this burden away from you and help you, where possible, to avoid unnecessary liabilities.

Following the Finance Act 2011, which outlined a requirement for Academies to register for VAT, this specialist area of taxation is now a complex area for charities and schools alike, with increased risks attached. Furthermore, as many schools look to maximise income from the use of their facilities and staff, under academy status, you can no longer leave this issues in the hands of the Local Authority.

For example:

- Do you rent out your playing fields and sports hall?
- Do you allow visitors to use your cafeteria?
- Do you sell school photographs?

Wherever you are charging for these services, the VAT status of the activities needs to be considered in advance to ensure that VAT

www.mitchellcharlesworth.co.uk

Chester 01244 323 051 | Liverpool 0151 255 2300 | Manchester 0161 817 6100 | Widnes 0151 423 7500



Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Mitchell Charlesworth is the trading name of Mitchell Charlesworth LLP, registered in England and Wales number OC391811. A list of members is available for inspection at our offices. Any reference to a partner in relation to Mitchell Charlesworth LLP means a member of Mitchell Charlesworth LLP. Registered address: 3rd Floor, 5 Temple Square, Temple Street, Liverpool L2 5RH.



A member of Kreston International. A global network of independent accounting firms.

legislation is complied with. More important though is the need to plan for VAT and to ensure that the school's position is maximised.

Our dedicated VAT team can advise on all aspects of VAT compliance and planning, including:

- 🔥 The most effective way to register with HMRC
- 🔥 Guidance on any VAT reliefs that may be available on your school's expenditure; and
- 🔥 Advice regarding the VAT liability of income sources.

What about your Academy's Future?

Even when your Academy is up and running, by working alongside Mitchell Charlesworth's team of Academies experts, you can ensure that any future strategic developments (growth strategies, property development, additional commercial activities) are supported by a sound and robust financial framework.

Why Outsourcing your accounting function is a good strategy:

Budgets are extremely tight at the moment and many schools are having to make large cuts to spending on essential facilities and expertise. There is an alternative option, however, that could save you money – outsourcing your Accounting function.

As an Academy, with responsibility for your own budgets, you have the freedom to look at various options. Even if you are an LEA school, then **you do not have to use the LEA services** if they can be sourced more efficiently and cheaply elsewhere.

Outsourcing offers many benefits including:

- 🔥 Control and certainty of costs
- 🔥 Freeing up your own staff time for other activities
- 🔥 Dispensing with the time, risks and pressure of carrying out the work in-house
- 🔥 Not having to deal with updates and changes to related software
- 🔥 Avoiding problems and delays arising from key staff absences.

What makes Mitchell Charlesworth's Academies team different to the rest?

- 🔥 **Partner-Led Service:** Unlike other firms, our service is very much partner-led, supported by expert advisors with strong track records of working with educational establishments
- 🔥 **Extensive Experience:** As budgets come under more pressure, our extensive experience of advising not-for-profit organisations delivers substantial and sustainable financial benefits
- 🔥 **Multiple Services:** We have assisted many types of schools, and an increasing number of Academies, through our integrated service range, which includes Payroll, Insurance, Wealth Management for school employees, Corporate Finance and Grant Funding
- 🔥 **Hands-On Approach:** Our approach to working with our clients is very hands-on and starts with a specialist education sector partner who remains the primary point of contact and is responsible for building a close, productive relationship.

Our Team



Philip Griffiths
Schools and Academies Partner
T: 0151 255 2300
E: philip.griffiths@mitchellcharlesworth.co.uk

Philip is our Audit Compliance Partner. He is responsible for the quality of audit work throughout the Practice and has over 25 years' experience. He specialises in the Charity, Schools and Not For Profit sector and a significant element of his client base is in this sector. Philip joined the firm in 1984 and became partner in 1997. He is a member of the ICAEW Charity and Voluntary Sector Group and the ICAEW Audit & Assurance Faculty and is also a member of Kreston International specialist interest groups for charities and audit. Phil was a former Governor of Birkenhead Sixth Form College between September 2002 and December 2010, and in this capacity was Chair of the Audit Committee.

Philip is also Honorary Treasurer of Mersey Kidney Research and holds the ICAEW Diploma in Charity Accounting (DchA).

www.mitchellcharlesworth.co.uk

Chester 01244 323 051 | Liverpool 0151 255 2300 | Manchester 0161 817 6100 | Widnes 0151 423 7500



Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Mitchell Charlesworth is the trading name of Mitchell Charlesworth LLP, registered in England and Wales number OC391811. A list of members is available for inspection at our offices. Any reference to a partner in relation to Mitchell Charlesworth LLP means a member of Mitchell Charlesworth LLP. Registered address: 3rd Floor, 5 Temple Square, Temple Street, Liverpool L2 5RH.



A member of Kreston International.
A global network of independent
accounting firms.