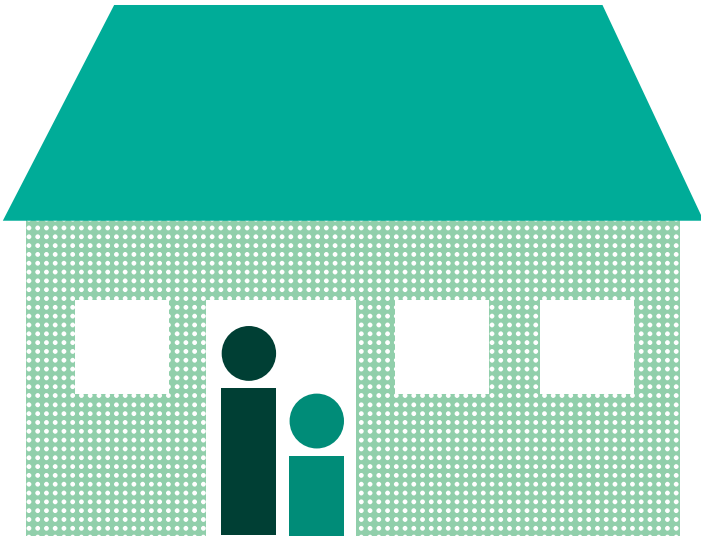


Multi-academy trusts Academy schools



Advising and supporting MATs across the UK.

If you are considering conversion to academy status, or have already converted but are looking to become part of a chain of academies, you may be considering a multi-academy trust (MAT). We are one of the UK's leading audit and accounting firms to the academy sector and currently advise a range of primary, secondary and mixed MAT clients.

WHAT IS A MAT?

A MAT is a single entity established to undertake a strategic collaboration to improve and maintain high educational standards across a number of schools. A group of schools form a single MAT which has overarching responsibility for their governance.

The MAT is accountable for the performance of each of the schools in the group, although each can still have their own governing body which operates subject to delegation of power from the MAT.

All staff are employed by one employer and the trust can share the additional reporting responsibilities required of an academy. You can also share staff and expertise and benefit from group purchasing power when buying goods and services. If you are considering a new, largely primary school focused MAT there is also additional funding available, through the Primary Academy Chain Development grant. This offers a one-off grant of £100,000 to chains of three schools creating a MAT, with supplementary funding available for each additional school.

SUPPORTING OUR MAT CLIENTS

We have advised many MATs from initial set-up and ongoing as their auditors. Issues for consideration, and where we can add value and support, range from deciding on the MAT structure and governance through to evaluating funding options and meeting the specific MAT reporting requirements.

We have outlined, below, some of the areas in which we have advised our MAT clients:

Deciding on the committee structure

MATs can adopt various structures. The Board of Directors, or Trustees, will sit at the top with ultimate responsibility for the governance of the trust. Commonly this board of directors will comprise key individuals from the larger academies within the trust, but this does not necessarily have to be the case. MATs will also usually establish committees who are charged with various areas of running of the MAT. We can advise on the most suitable structure and committees for your trust.

Accounts preparation

Financial statements are prepared at trust level, and it is therefore important that someone within the trust takes responsibility for overseeing finance at this level. Most MATs, certainly larger ones, will employ a Finance Director. This leaves the individual School Business Managers to concentrate on day to day matters at their individual academies.



An independent audit is a real opportunity to identify improvements in your financial systems and procedures.



We can support the Finance Director with the preparation of the accounts from trial balance. The results of the individual academies will need to be consolidated together, and any inter-school transactions eliminated.

Choosing and setting up your financial software

The complexities of a MAT mean it is vital that you use appropriate software. We are able to advise on the options available to you, and the pros and cons of each one.

It is preferable for each academy within a MAT to use the same software, and for a consistent ledger structure to be applied across the MAT. We can assist you with setting up your ledger structure, and help you understand and get the most out of the available reports. We are also able to provide assistance with management accounts, and cash flow forecasting, which are both important financial management tools for any academy trust, but especially a MAT.

VAT

Since the VAT registration threshold applies to the trust, it follows that your MAT may find itself more likely to need to register for VAT. Taxable income will need to be monitored across all the academies within the trust, most likely by your Finance Director, but our team of VAT specialists can provide additional support by way of an annual VAT review service or ongoing VAT advice on an ad-hoc basis as issues arise.

External audit

All academy trusts, including MATs, are required to prepare financial statements to 31 August each year and the audited year end accounts need to be submitted to the Education Funding Agency (EFA) by 31 December of the same year. As an experienced firm of auditors, we are able to provide an effective, timely and economic service with a 'hand holding' approach.

We appoint a dedicated team of academy auditors who can share the benefit of their experience to ensure they make the process as seamless as possible for the MAT team.

We see our annual audit and assurance engagements as an opportunity to provide you with far more than just statutory compliance. Our approach to delivering audit services that are tailored to your MAT's needs means that an independent audit is a real opportunity to identify improvements in your financial systems and procedures.

Internal audit

The Academies Financial Handbook requires MATs to appoint an Accounting Officer to review and report on the internal control risks through a programme of internal audit work. We can provide appropriate internal audit services by assisting with your Accounting Officer's internal financial controls review. We can tailor our programme of work to cover any areas over which you may have a particular concern or require assistance.

Top slicing

Larger MATs, and some smaller MATs, will operate a central trust function. This central function may employ the Chief Executive, Finance Director, and incur other central costs, such as audit fees, which are shared across the trust.

Individual academies may be asked to contribute to the central trust through what is often referred to as "top-slicing". This typically involves a percentage of each academy's General Annual Grant (GAG) income being passed to the central trust function; the level of financial contribution is often varied according to performance so that high performing academies that need and receive less central support are required to make a lower contribution. We can advise on the levels of top-slicing within the MAT.

THE NEXT STEP

If you would like further information on our services for MATs, or would like to arrange a meeting to discuss the establishment of your MAT, please contact one of our specialist academy advisers.

For further information please contact your usual UHY partner or read more about us on our website at www.uhy-uk.com.

