

Q2 2023 review

Academy Helpdesk

At Price Bailey, all of our Academy clients have access to our Academy Helpdesk.

We offer this service for **free**, by phone or by email, if we either know or should know the answer to your query (and our experience is such that this is no longer confined to just financial and reporting matters).

As much as you need and as often as you like, for all external and internal audit clients.

If you are an existing client and have any academy related queries, **please contact:**

academy_helpdesk@pricebailey.co.uk

"We saved our clients
£3,000
in advisory fees during Q2 2023"

Take a look at some of the top queries our Helpdesk answered below during Q2, April to June 2023.

Please note, these queries have been condensed for the purpose of this document.

Trust Board Diversity

In April 2023, the DfE issued guidance encouraging trusts to collect and publish board diversity data. This is **not** a mandatory requirement, only encouraged.

The DfE recognises that diversity is important and wants governing boards to be increasingly reflective of the communities they serve.

There is no prescriptive way to collect diversity data from volunteers.

The National Governance Association (NGA) for Schools & Trusts provides further useful **guidance** on this matter, including template forms for collating data.



Gifts

We had numerous queries in Q2 in relation to giving gifts, an area which can be subjective and could result in irregular, improper or non-compliant use of public money.

We encourage all our trusts to be open and transparent in declaring gifts.

The ESFA guidance is clear and states:

"Academy trusts should have a policy and register on the acceptance of gifts and should ensure all staff are aware of it. When making gifts, the trust must ensure the value is reasonable, is within its scheme of delegation, the decision is documented, and achieves propriety and regularity in the use of public funds."

It is also important to be mindful of HMRC tax rules when giving gifts to staff, as it could be classed as a 'taxable benefit'.

You don't have to pay tax on a benefit for your employee if it is a **'trivial benefit'**:

- it cost you £50 or less to provide
- it isn't cash or a cash voucher
- it isn't a reward for their work or performance
- it isn't in the terms of their contract

If you're not sure whether a benefit counts as a trivial benefit call the HMRC **employer helpline**.

Fixed Assets

In the run up to the year-end we saw an increasing amount of queries concerning capitalising assets and maintaining a fixed asset register.

A trust **must** manage and oversee assets and maintain a fixed asset register, a requirement under the Academy Trust Handbook.

We ran a workshop in May 2023 focussing on maintaining a fixed asset register. If you would like a link to the recording, please contact us below.

The Financial Reporting Standard (FRS 102) under section 17 states that items should be capitalised when

"it is probable that future economic benefits will flow to the entity and that the cost of the item can be measured reliably".

We often see trusts with a historically low capitalisation limit, is it time to review your capitalisation limit?

Q: We have been donated laptops to donate to our students, should these be on our register?

A: If you have passed ownership onto the students then no, only assets you own should be on your register. In this case, you would recognise an income donation receiving the laptops, and an expenditure donation to pass them on.

Q: What happens when we sell an asset?

A: The difference between the value you sell for and the net book value being written off will be a profit or loss on disposal, which should be posted to an expenditure nominal.

Our Helpdesk has also answered ad hoc queries regarding:

- Budgeting
- Finance systems
- Related party transactions
- Governance
- Gift aid
- IR35



Contact Us



Tom Meeks
Partner, Head of Academies team
T: +44 (0)127 971 2730
T: +44 (0)788 020 2472
E: tom.meeks@pricebailey.co.uk



India Payne
Helpdesk Manager
T: +44 (0)127 921 7253
T: +44 (0)782 512 4330
E: india.payne@pricebailey.co.uk

Academy Helpdesk for general queries:

academy_helpdesk@pricebailey.co.uk
 [@AcademyHelpdesk](https://twitter.com/AcademyHelpdesk)

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