

News story: Transparency of academy system leads to greater accountability

Thousands of schools' accounts have been published today (Tuesday 6 November), demonstrating the transparency of the academy system and the Government's commitment to taking action against those not following the rules.

Accounts covering around 7,000 academies have been published online and laid before Parliament for the second year running – allowing the public and Parliament to scrutinise the accounts of any academy school.

New information published today shows that 97% of academy trusts submitted financial returns to the Department for Education on time, proving they are using public money responsibly and complying with the clear rules set out in the Academies Financial Handbook.

The data also shows that only 88 academy trusts – equivalent to 3% nationwide – submitted two or more financial returns late in the 2017/18 academic year. Those trusts have been named publicly to improve compliance and help the department hold those schools to account and make sure every pound is spent as efficiently as possible.

The publication of this information is the latest step taken by the Education and Skills Funding Agency (ESFA) to ensure academy finances are in good order, and trusts are more accountable for the public money they spend.

This comes after Education Secretary, Damian Hinds, announced a clampdown on related-party transactions – supplies to academy trusts from linked individuals or organisations – with trusts required to seek approval from the ESFA for all payments over £20,000 from next April.

Minister for the School System Lord Agnew said:

Since expanding the academies programme we have made sure that increased autonomy is supported with increased transparency. And this transparency means that we know and can take action where trusts are not following the clear rules we have laid down.

Providing financial returns on time is just one example of how we monitor and scrutinise academies to ensure their financial health is robust and they continue to be more transparent in their reporting than local authority schools.

It's encouraging that the overwhelming majority reported on time, and we are taking action in the small number of cases where we find that this has not happened.

Other new accountability measures introduced for this academic year (2017/18), mean academies must notify the ESFA of:

- Their total salary expenditure, broken down into teachers, leadership, administration and support;
- The job title and role description of all staff whose full time pay package exceeds £100,000 per year; and
- Whether each role is focused on curriculum and education leadership, or school business management leadership.

All academy trusts must abide by the Academies Financial Handbook, which outlines the Department's expectation in how they should operate and examples of best practice.

The information on academies' financial reporting and the Academy Sector Report and Accounts (SARA) coincides with an additional publication from the Department for Education to make the system more transparent.

A new, dedicated webpage for Headteacher Boards – advisory committees that provide support to Regional Schools Commissioners – has been designed to give a greater insight into the decisions taken by Regional Schools Commissioners. The webpage will give parents, teachers and school leaders easier access to information about decisions taken to raise standards across the country. The new page will include:

- a clear explanation of the role of Regional Schools Commissioners;
- meeting minutes and agendas – published with six weeks of a meeting;
- schedules of meetings; and
- meeting templates to clarify the information and data Headteacher Boards consider.