



Guidance

Academy trust handbook 2025: effective from 1 September 2025

Published 25 June 2025

Applies to England

Contents

Introduction

What the handbook covers

Using the handbook

What else should you read

What has changed

Part 1: Roles and responsibilities

Part 2: Main financial requirements

Part 3: Internal scrutiny

Part 4: Annual accounts and external audit

Part 5: Delegated authorities

Part 6: The regulator and intervention



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at <https://www.gov.uk/government/publications/academy-trust-handbook/academy-trust-handbook-2025-effective-from-1-september-2025>

Introduction

Welcome to the academy trust handbook.

In this document the Department for Education (DfE) provides an overarching framework for financial governance, management and other controls, for academy trusts in England. Compliance with the requirements set out in this document is a condition of the funding agreement between each trust and the Secretary of State for Education. Trustees, accounting officers, principals, senior leaders and others with responsibility for governing, managing or auditing an academy trust must understand this handbook and adhere to its contents.

In addition to setting out mandatory requirements, the handbook also provides links to guidance and best practice to support trusts in making sound decisions, strengthening internal controls, and developing effective governance arrangements. Trusts are encouraged to use the handbook as a tool to identify continuous improvement and not only for compliance.

We review the handbook at least annually. Trusts should ensure they review the most recent version when published and take prompt action to implement any new requirements by the date they become effective.

Use the [customer help portal \(https://customerhelpportal.education.gov.uk/\)](https://customerhelpportal.education.gov.uk/) to provide feedback about the handbook or to contact us for further guidance.

What the handbook covers

The handbook:

- **must** be complied with as a requirement of trusts' [funding agreements \(https://www.gov.uk/government/publications/academy-and-free-school-funding-agreements\)](https://www.gov.uk/government/publications/academy-and-free-school-funding-agreements) with the Secretary of State for Education
- describes financial responsibilities of academy trusts, and reflects the principles in HM Treasury's (HMTs) Managing Public Money (MPM)
- describes other responsibilities of academy trusts including references to safeguarding and keeping buildings safe and well-maintained
- explains when trusts **must** obtain DfE approval in advance for financial transactions
- balances the need for effective financial governance with the freedoms that trusts need over their day-to-day business

- reflects [The Seven Principles of Public Life \(https://www.gov.uk/government/publications/the-7-principles-of-public-life\)](https://www.gov.uk/government/publications/the-7-principles-of-public-life) (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) to which public office holders **must** adhere
- covers all types of academy including single academy trusts, trusts with multiple academies, free schools, studio schools, university technical colleges, alternative provision and special academies
- sets out that DfE may intervene where it has concerns about the trust's compliance

It is effective from **1 September 2025** and will remain in force until updated or replaced.

Using the handbook

In the handbook:

- **'must'** identifies requirements – a list can be found in the [Schedule of Musts \(https://www.gov.uk/government/publications/academy-trust-handbook\)](https://www.gov.uk/government/publications/academy-trust-handbook)
- **'should'** identifies minimum good practice which trusts should apply unless they can demonstrate that an alternative approach better suits their circumstances

What else should you read

The handbook signposts trusts to supplementary guidance, which trusts should read and apply where applicable. There is further reading in:

- [Academies accounts direction and auditor framework \(https://www.gov.uk/guidance/academies-accounts-direction\)](https://www.gov.uk/guidance/academies-accounts-direction)
- [Academies: compliance, funding and payments \(https://www.gov.uk/government/collections/academies-funding-payments-and-compliance\)](https://www.gov.uk/government/collections/academies-funding-payments-and-compliance)
- [Academy Finance Professionals 'Power Hours' \(videos and webinars\) \(https://www.youtube.com/@esfagovuk6416/videos\)](https://www.youtube.com/@esfagovuk6416/videos)
- [Academy trust financial management good practice guides \(https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides\)](https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides)

- [Academy trust governance guide \(https://www.gov.uk/guidance/governance-in-academy-trusts\)](https://www.gov.uk/guidance/governance-in-academy-trusts)
- [Charity Commission guidance publications \(https://www.gov.uk/government/collections/list-of-charity-commission-cc-guidance-publications\)](https://www.gov.uk/government/collections/list-of-charity-commission-cc-guidance-publications)
- [Commissioning high-quality trusts \(https://www.gov.uk/government/publications/commissioning-high-quality-trusts\)](https://www.gov.uk/government/publications/commissioning-high-quality-trusts)
- [What academies and further education colleges must or should publish online \(https://www.gov.uk/guidance/what-academies-free-schools-and-colleges-should-publish-online\)](https://www.gov.uk/guidance/what-academies-free-schools-and-colleges-should-publish-online)
- [Sustainability leadership and climate action plans in education \(https://www.gov.uk/guidance/sustainability-leadership-and-climate-action-plans-in-education\)](https://www.gov.uk/guidance/sustainability-leadership-and-climate-action-plans-in-education) which refers to DfE's strategy encouraging all education settings to have nominated a sustainability lead and a climate action plan by 2025 – wherever you are on your sustainability journey, this guidance and support will help you

What has changed

The **main changes** in each section are as follows.

What else should you read?

- Added a link to [guidance and support on sustainability \(https://www.gov.uk/guidance/sustainability-leadership-and-climate-action-plans-in-education\)](https://www.gov.uk/guidance/sustainability-leadership-and-climate-action-plans-in-education) to help trusts have a climate action plan in place by 2025.

Roles and responsibilities

- Confirming that trusts should have an understanding of and be working towards meeting the 6 core **digital and technology standards** by 2030 ([1.16](#)).
- Providing trusts with further **guidance on estates management** ([1.20](#)).
- Updating the **accounting officer duties** and the **definitions of regularity, propriety, value for money and feasibility**, to better

reflect Managing Public Money ([1.32](#) and 'find out more' box).

- Providing further information including links to relevant sections of **Managing Public Money** regarding the accounting officer's duty to raise concerns ([1.37](#) and 'find out more' box).

Main financial requirements

- Providing trusts with further guidance and **support on procurement** ([2.24 to 2.26](#)).
- Clarifying the role of the board in **setting of executive pay** ([2.27 and 2.30](#)).

Internal Scrutiny

- Clarifying that the **income thresholds** referred to in [3.6](#) and [3.16](#) are based on the trust's last audited accounts.

Delegated authorities

- Explaining how **cost** could cause a transaction to be repercussive ([5.5](#)).
- Providing a link to the relevant section on **Novel, Contentious or Repercussive transactions** in Managing Public Money ('find out more' box below [5.5](#)).

The Regulator and intervention

- Confirming that trusts **must not pay any cyber ransomware demands** ([6.15](#)).
- Providing trusts with a link to **further information on DfE oversight and support, including intervention** ([6.16](#)).
- Removing educational performance as an area where an **Notice to**

Improve (Ntl) may be issued (6.17).

- Confirming that the department may **recover funds** where there is evidence of irregularity or fraud (6.21).

Part 1: Roles and responsibilities

The duties of key people responsible for running academy trusts.

1.1. Trusts perform an important role in advancing education, promoting pupil welfare and keeping trusts' estates safe and well-maintained.

Trustees and management **must** have the skills, knowledge and experience to run the academy trust.

Members

Role of members

1.2. Every trust has members who have a similar role to shareholders of a company limited by shares. Member powers are set out in the trust's [articles of association \(https://www.gov.uk/government/publications/academy-model-memorandum-and-articles-of-association\)](https://www.gov.uk/government/publications/academy-model-memorandum-and-articles-of-association).

How many members should there be

1.3. The academy trust **must** have at least 3 members but should have 5 or more.

Suitability of members

1.4. Trusts **must** ensure that their members are not currently subject to a direction made under section 128 of the [Education and Skills Act 2008 \(https://www.legislation.gov.uk/ukpga/2008/25/contents\)](https://www.legislation.gov.uk/ukpga/2008/25/contents), which prohibits individuals from taking part in academy trust management, and that they do not appoint as a member, a person who is currently subject to a section 128 direction.

Can employees be members

1.5. No. Members **must not** be employees of the trust, nor occupy staff establishment roles on an unpaid voluntary basis.

Can trustees be members

1.6. The majority of members should not also be trustees.

Working with the trustees

1.7. It is important for members to be kept informed by trustees about trust business so they can be assured that the board is exercising effective governance and use their powers to step in if governance is failing. This **must** include providing the members with the trust's audited annual report and accounts as stated in paragraph [4.4](#).

Find out more about the role of members in section 4 of the [Academy trust governance guide \(https://www.gov.uk/guidance/-governance-in-academy-trusts\)](https://www.gov.uk/guidance/-governance-in-academy-trusts).

Trustees

Who are the trustees

1.8. The trustees of the academy trust are both charity trustees and company directors. This handbook refers to them as trustees. However, in some academy trusts, such as church academies, those on the board are known instead as 'directors'. In church academies, the term 'trustees' is reserved for those on the board of the separate trust owning the land.

1.9. All trusts should have reserved places for parents, carers or other individuals with parental responsibilities in their governance structure. Trusts should hold elections to fill these places, as appropriate.

- Single academy trusts should have at least 2 such places on the board.
- Trusts with multiple academies should have at least 2 such places on the board or at least 2 such places on each local committee (known as local governing bodies in the department's model articles) where the trust has established them.

Find out more about:

- [Model articles of association for academy trusts \(https://www.gov.uk/government/publications/academy-model-memorandum-and-articles-of-association\)](https://www.gov.uk/government/publications/academy-model-memorandum-and-articles-of-association)
- DfE's [Academy trust governance guide \(https://www.gov.uk/guidance/-governance-in-academy-trusts\)](https://www.gov.uk/guidance/-governance-in-academy-trusts)
- [Academy Trust Governance Code \(https://atgc.org.uk/\)](https://atgc.org.uk/) – a voluntary code for academy trusts

- [Model code of conduct for trustees and trust boards \(https://cstuk.org.uk/knowledge/guidance-and-policy/model-code-of-conduct-for-trustees-and-trust-boards/\)](https://cstuk.org.uk/knowledge/guidance-and-policy/model-code-of-conduct-for-trustees-and-trust-boards/) – Confederation of School Trusts (CST)
- [Code of conduct in schools \(https://www.nga.org.uk/knowledge-centre/governing-board-code-of-conduct/\)](https://www.nga.org.uk/knowledge-centre/governing-board-code-of-conduct/) – National Governance Association (NGA)

Board purpose

1.10. The academy trust is the legal entity with the board having collective accountability and responsibility for the academy trust and assuring itself that there is compliance with regulatory, contractual, and statutory requirements.

The academy trust board provides:

- **strategic leadership of the academy trust:** the board defines the trust vision for high quality and inclusive education in line with its charitable objects – it establishes and fosters the trust’s culture and sets and champions the trust strategy including determining what, if any, governance functions are delegated to the local tier
- **accountability and assurance:** the board has robust effective oversight of the operations and performance of the academy trust, including the provision of education, pupil welfare, overseeing and ensuring appropriate use of funding and effective financial performance and keeping their estate safe and well-maintained
- **engagement:** the board has strategic oversight of relationships with stakeholders – the board involves parents, schools and communities so that decision-making is supported by meaningful engagement

1.11. The trustees **must** apply the highest standards of conduct and ensure robust governance, as these are critical for effective financial management. Trusts should consider the features of high quality governance as described in the [trust quality descriptions \(https://www.gov.uk/government/publications/commissioning-high-quality-trusts\)](https://www.gov.uk/government/publications/commissioning-high-quality-trusts).

Trustees’ statutory duties

1.12. Trustees **must** comply with the trust’s charitable objects, with company and charity law, and with their contractual obligations under the [funding agreement \(https://www.gov.uk/government/publications/academy-and-free-school-funding-agreements\)](https://www.gov.uk/government/publications/academy-and-free-school-funding-agreements). Company directors’ duties are described in sections 170 to 181 of the [Companies Act 2006 \(http://www.legislation.gov.uk/ukpga/2006/46/part/10/chapter/2\)](http://www.legislation.gov.uk/ukpga/2006/46/part/10/chapter/2). Charity trustees’ duties are described in the Charity Commission’s [The essential trustee \(https://www.gov.uk/government/publications/the-essential-trustee-what-you-](https://www.gov.uk/government/publications/the-essential-trustee-what-you-)

[need-to-know-cc3/the-essential-trustee-what-you-need-to-know-what-you-need-to-do](#)) guidance.

1.13. As an organisation, the trust has a range of responsibilities under current legislation and statutory guidance. Trusts' responsibilities include such matters as safeguarding, health and safety and estates management. Ensuring strong governance in these areas will be a key priority for the board.

Safeguarding

1.14. Academy trust boards have a duty to:

- safeguard and promote the welfare of children
- have regard to any statutory guidance on safeguarding, issued by the Secretary of State for Education
- ensure the suitability of staff, supply staff, volunteers, contractors and proprietors

Find out more about this duty in:

- [The Education \(Independent School Standards\) Regulations 2014](https://www.legislation.gov.uk/ukxi/2014/3283/made) (<https://www.legislation.gov.uk/ukxi/2014/3283/made>)

Read further guidance in:

- [Working together to safeguard children](https://www.gov.uk/government/publications/working-together-to-safeguard-children--2) (<https://www.gov.uk/government/publications/working-together-to-safeguard-children--2>)
- [Keeping children safe in education](https://www.gov.uk/government/publications/keeping-children-safe-in-education--2) (<https://www.gov.uk/government/publications/keeping-children-safe-in-education--2>) (KCSIE), which contains guidance on legal requirements including Disclosure and Barring Service (DBS) checks, directions made under section 128 of the [Education and Skills Act 2008](https://www.legislation.gov.uk/ukpga/2008/25/contents) (<https://www.legislation.gov.uk/ukpga/2008/25/contents>) prohibiting individuals from taking part in academy trust management, and teacher prohibition checks

1.15. When carrying out the Prevent duty, as required under section 26 of the Counter Terrorism and Security Act, trusts are required to follow the Home Office's revised [Prevent duty guidance for England and Wales](https://www.gov.uk/government/publications/prevent-duty-guidance) (<https://www.gov.uk/government/publications/prevent-duty-guidance>) and DfE's guidance on [safeguarding learners vulnerable to radicalisation](https://www.gov.uk/government/publications/the-prevent-duty-safeguarding-learners-vulnerable-to-radicalisation) (<https://www.gov.uk/government/publications/the-prevent-duty-safeguarding-learners-vulnerable-to-radicalisation>).

Digital and Technology Standards

1.16. Trusts should have an understanding of the extent to which they are meeting DfE's [digital and technology standards \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/cyber-security-standards-for-schools-and-colleges\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/cyber-security-standards-for-schools-and-colleges) and be working towards meeting the following 6 core standards by 2030:

- [Broadband internet \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/broadband-internet-standards-for-schools-and-colleges\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/broadband-internet-standards-for-schools-and-colleges)
- [Network switching \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/network-switching-standards-for-schools-and-colleges\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/network-switching-standards-for-schools-and-colleges)
- [Wireless network \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/wireless-network-standards-for-schools-and-colleges\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/wireless-network-standards-for-schools-and-colleges)
- [Cyber security \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/cyber-security-standards-for-schools-and-colleges\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/cyber-security-standards-for-schools-and-colleges)
- [Filtering and monitoring \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/filtering-and-monitoring-standards-for-schools-and-colleges\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/filtering-and-monitoring-standards-for-schools-and-colleges)
- [Digital leadership and governance \(https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/digital-leadership-and-governance-standards\)](https://www.gov.uk/guidance/meeting-digital-and-technology-standards-in-schools-and-colleges/digital-leadership-and-governance-standards)

Find out more about DfE's [plan technology for your school \(https://www.gov.uk/guidance/plan-technology-for-your-school\)](https://www.gov.uk/guidance/plan-technology-for-your-school) service, which allows trusts to self-assess against the standards and receive personalised recommendations for their next steps.

Health and safety

1.17. The main legislation covering this area is the [Health and Safety at Work etc. Act 1974 \(https://www.legislation.gov.uk/ukpga/1974/37/contents\)](https://www.legislation.gov.uk/ukpga/1974/37/contents) and its regulations. Under the Act the academy trust, as an employer, is responsible for the health and safety of its staff, pupils, and any visitors.

1.18. Trust boards should follow DfE's [Health and Safety: responsibilities and duties for schools \(https://www.gov.uk/government/publications/health-and-safety-advice-for-schools\)](https://www.gov.uk/government/publications/health-and-safety-advice-for-schools) as well as [Health and Safety Executive \(HSE\) guidance for Education \(https://www.hse.gov.uk/education/index.htm\)](https://www.hse.gov.uk/education/index.htm).

1.19. Academy trusts have a duty to manage asbestos in their schools effectively, compliant with the [Control of Asbestos Regulations 2012](#)

<https://www.hse.gov.uk/pubns/books/l143.htm>).

Find out more about:

- [Managing asbestos in your school or college \(https://www.gov.uk/guidance/asbestos-management-in-schools\)](https://www.gov.uk/guidance/asbestos-management-in-schools) – DfE guidance to help academy trusts understand their duties in relation to asbestos management
- [Asbestos registers and management plans \(https://www.gov.uk/government/publications/asbestos-management-in-schools--2\)](https://www.gov.uk/government/publications/asbestos-management-in-schools--2) – essential for safe management of asbestos
- [Duty to manage asbestos guidance \(https://www.hse.gov.uk/asbestos/duty/index.htm\)](https://www.hse.gov.uk/asbestos/duty/index.htm) – detailed advice from the Health and Safety Executive
- [Asbestos management checklist for schools \(https://www.hse.gov.uk/education/asbestos-management-checklist.htm\)](https://www.hse.gov.uk/education/asbestos-management-checklist.htm) – questions to help academy trusts check whether suitable precautions are in place
- [Reporting of Injuries, Diseases and Dangerous Occurrences Regulations \(https://www.hse.gov.uk/riddor/\)](https://www.hse.gov.uk/riddor/) – including trusts' legal duty to notify the Health and Safety Executive in certain circumstances where asbestos has been disturbed or damaged

Estates management

1.20. An academy trust's estate is both an asset and a mechanism to deliver outcomes for pupils. DfE expects academy trusts to manage their school estate strategically and effectively and maintain their estate in a safe working condition. This includes complying with statutory duties to ensure the health and safety of building occupants.

Trusts should ensure they are aware of and are applying the following guidance relevant to estates safety and management:

- [School estate management standards \(https://www.gov.uk/government/publications/school-estate-management-standards\)](https://www.gov.uk/government/publications/school-estate-management-standards), which schools can use to understand where to start to become fully effective, how to progress and prioritise, and how to make best use of expert advice
- advice, standards and tools for academy trusts at [Good estate management for schools \(https://www.gov.uk/guidance/good-estate-management-for-schools\)](https://www.gov.uk/guidance/good-estate-management-for-schools), including guidance on an estate's strategy and asset management plan, and the [Estate management competency framework \(https://www.gov.uk/guidance/good-estate-](https://www.gov.uk/guidance/good-estate-competency-framework)

[management-for-schools/estate-management-competency-framework](#)) for standards on the skills and knowledge needed for individuals at all levels

- the [Condition Data Collection \(https://www.gov.uk/guidance/condition-data-collection-2-cdc2-programme\)](https://www.gov.uk/guidance/condition-data-collection-2-cdc2-programme) (CDC) process which helps DfE understand the condition of government funded schools across England for the purposes of targeting funding where it is needed most
- [Reinforced autoclaved aerated concrete \(RAAC\): identification guidance \(https://www.gov.uk/government/publications/reinforced-autoclaved-aerated-concrete-estates-guidance\)](https://www.gov.uk/government/publications/reinforced-autoclaved-aerated-concrete-estates-guidance) – RAAC is a weaker form of concrete used in floors, walls, and roofs of buildings constructed or modified between the 1950s and mid-1990s and could pose a particular risk
- [School capital funding guidance \(https://www.gov.uk/guidance/school-capital-funding\)](https://www.gov.uk/guidance/school-capital-funding), who it's for, current and past allocations, how it's calculated and spending guidance
- [Condition Improvement Fund \(https://www.gov.uk/guidance/condition-improvement-fund\)](https://www.gov.uk/guidance/condition-improvement-fund) including links to terms and conditions

Further information and guidance is available from [The Trust Network \(http://www.thetrustnetwork.org.uk/\)](http://www.thetrustnetwork.org.uk/), which is run by trusts for trusts to help its members develop effective, efficient, and economically sustainable estates and safety management.

What else do trustees consider

1.21. The trustees **must** ensure regularity, propriety and value for money in use of the trust's funds. The trustees **must** also take ownership of the trust's financial sustainability and its ability to operate as a [going concern \(https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides\)](https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides).

What does the chair of trustees do

1.22. The chair is responsible for ensuring the effective functioning of the board and has a vital role in setting the highest expectations for professional standards of governance and accountability for the board.

Find out more about the role of the chair in [Academy trust governance \(https://www.gov.uk/guidance/governance-in-academy-trusts\)](https://www.gov.uk/guidance/governance-in-academy-trusts).

Can employees be trustees

1.23 Any newly appointed senior executive leader can only be a trustee

if the members decide to appoint them as such, the senior executive leader agrees and the trust's articles permit it. No other employees should serve as trustees, nor should trustees occupy staff establishment roles on an unpaid voluntary basis.

Can trustees delegate

1.24. Yes, to committees and the executive in accordance with their governance structure. Each committee (other than those in a trust with multiple academies constituted as a local governing body) **must** contain a majority of trustees, but it may also include other people the board chooses to appoint.

1.25. Academy trusts **must** not have de facto trustees (defined in appendix 1 of the [Charities SORP \(http://www.charitycorp.org/download-a-full-sorp/\)](http://www.charitycorp.org/download-a-full-sorp/)) or shadow directors (defined in [section 251\(1\) of the Companies Act 2006](https://www.legislation.gov.uk/ukpga/2006/46/section/251)) (<https://www.legislation.gov.uk/ukpga/2006/46/section/251>).

Skills and experience

1.26. The board should identify the skills and experience it needs, including sufficient financial knowledge to hold the executive to account. The board should also address this for committees, local committees and local governing bodies.

1.27. New trusts in their first year **must**, and established trusts should, include in their governance statement, an assessment of their governance structure, including a review of the board's composition in terms of skills, effectiveness, leadership and impact.

Find out more about:

- [Academy trust governance guide \(https://www.gov.uk/guidance/governance-in-academy-trusts\)](https://www.gov.uk/guidance/governance-in-academy-trusts)
- Charity Commission guidance [the essential trustee: what you need to know, what you need to do \(CC3\) \(https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3\)](https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3)
- the [automatic disqualification rules \(https://www.gov.uk/guidance/automatic-disqualification-rule-changes-guidance-for-charities\)](https://www.gov.uk/guidance/automatic-disqualification-rule-changes-guidance-for-charities) for individuals acting as trustees or senior managers in charities
- compliance with [The Education \(Independent School Standards\) Regulations 2014 \(https://www.legislation.gov.uk/uksi/2014/3283/made\)](https://www.legislation.gov.uk/uksi/2014/3283/made)
- the other guidance available from the [Charity Commission \(https://www.gov.uk/government/collections/list-of-charity-commission-cc-guidance-publications\)](https://www.gov.uk/government/collections/list-of-charity-commission-cc-guidance-publications) which trustees should also follow
- questions for the board to ask itself about its governance

arrangements in the DfE [School resource management self-assessment checklist \(https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool\)](https://www.gov.uk/government/publications/school-resource-management-self-assessment-checklist)

The accounting officer

Who is the accounting officer

1.28. The board of trustees **must** appoint, in writing, a senior executive leader, who may be appointed as a trustee. In single academy trusts this should be the principal. In trusts with multiple academies, it should be the chief executive or equivalent.

1.29. The board **must** also appoint, in writing, a named individual as its accounting officer. This should be the senior executive leader. The individual **must** be a fit and suitable person for the role. The roles of senior executive leader and accounting officer **must not** rotate. The roles of accounting officer and chief financial officer should not be occupied by the same individual. The accounting officer should be employed by the trust. The trust **must** obtain prior DfE approval if it is proposing, [in exceptional circumstances \(https://www.gov.uk/guidance/academy-trusts-off-payroll-appointments\)](https://www.gov.uk/guidance/academy-trusts-off-payroll-appointments), to appoint an accounting officer who will not be an employee.

Departure of the senior executive leader (accounting officer)

1.30. When the senior executive leader is planning to leave the trust (for example retirement or resignation), the board of trustees should approach their [Regional Director \(https://www.gov.uk/government/organisations/regional-schools-commissioners/about\)](https://www.gov.uk/government/organisations/regional-schools-commissioners/about) in advance to discuss their structure and options, including plans for recruitment.

What does the accounting officer do

1.31. The accounting officer role includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament and to DfE's accounting officer for the trust's financial resources.

1.32. Accounting officers **must** be able to assure DfE's accounting officer, Parliament and the public, of high standards of probity in the management of public funds, particularly regularity, propriety, feasibility and value for money, including economy, efficiency and effectiveness – the 3 elements of value for money.

The following definitions are set out in MPM:

- **Regularity:** the proposed transaction is compliant with the framework of authorities of the department or body concerned. That the transaction under consideration has sufficient legal basis, parliamentary authority, and Treasury authorisation; is compatible with the agreed spending budgets, the wider legal framework (for example subsidy control and procurement law), and the requirements regarding spending set out in this document.
- **Propriety:** the proposal meets high standards of public conduct and relevant Parliamentary control procedures and expectations, including compliance with any conventions or commitments made to Parliament and cross-cutting government policies or standards, as well as the standards of conduct and good governance, as set out in this document.
- **Value for money:** in comparison to alternative proposals or doing nothing, the proposal delivers the stated policy objectives in a way that represents good value for the Exchequer as a whole, taking into consideration the chances of different degrees of success or failure.
- **Feasibility:** the proposal can be implemented accurately, sustainably, and to the intended timetable with the resources available and without incurring wasteful or nugatory spend.

These definitions are not set out in MPM but may be useful:

- **Economy:** reducing the cost of resources used for an activity, while maintaining quality.
- **Effectiveness:** achieving the intended outcomes or objectives.
- **Efficiency:** achieving maximum output for given inputs, or minimum inputs for a given output.

1.33. Accounting officers must adhere to [The Seven Principles of Public Life \(https://www.gov.uk/government/publications/the-7-principles-of-public-life\)](https://www.gov.uk/government/publications/the-7-principles-of-public-life).

1.34. The accounting officer **must** have oversight of financial transactions, by:

- ensuring the academy trust's property and assets are under the trustees' control and measures exist to prevent losses or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts

The accounting officer's annual statement

1.35. The accounting officer **must** complete and sign a [statement on regularity, propriety and compliance](#) each year and submit this to DfE with the audited accounts. The accounting officer **must** also demonstrate how the trust has secured value for money in the governance statement in the audited accounts.

The accounting officer's duty to raise concerns

1.36. The accounting officer **must** take personal responsibility (which **must not** be delegated) for assuring the board that the trust is complying with the funding agreement and handbook.

1.37. The accounting officer **must** advise the board, in writing, if action it is considering is incompatible with the [articles \(https://www.gov.uk/government/publications/academy-model-memorandum-and-articles-of-association\)](https://www.gov.uk/government/publications/academy-model-memorandum-and-articles-of-association), [funding agreement \(https://www.gov.uk/government/publications/academy-and-free-school-funding-agreements\)](https://www.gov.uk/government/publications/academy-and-free-school-funding-agreements) or handbook. This includes where such action conflicts with the duties of the accounting officer, to ensure regularity, propriety, value for money and feasibility.

1.38. Similarly, the accounting officer **must** advise the board, in writing, if the board fails to act where required by the funding agreement or handbook. Where the board is minded to proceed, despite the accounting officer's advice, the accounting officer **must** consider the board's reasons and, if the accounting officer still considers the action proposed by the board is in breach of the articles, the funding agreement or handbook, the accounting officer **must** notify DfE's accounting officer immediately in writing.

Find out more about the:

- accounting officer role in chapter 3 of [Managing Public Money \(https://www.gov.uk/government/publications/managing-public-money\)](https://www.gov.uk/government/publications/managing-public-money) including further information on the accounting officer's duty to raise concerns and where directions may be given to them
- consequence of these directions for the governance statement in the accounts as set out in annex 3.1 of Managing Public Money
- [Role of the accounting officer \(https://cstuk.org.uk/knowledge/guidance-and-policy/the-core-responsibilities-of-a-school-trust-chief-executive-officer/\)](https://cstuk.org.uk/knowledge/guidance-and-policy/the-core-responsibilities-of-a-school-trust-chief-executive-officer/) – (CST)

The chief financial officer

Role of the chief financial officer

1.39. The board **must** appoint a chief financial officer (CFO) to whom responsibility for the trust's detailed financial procedures is delegated. The CFO should play both a technical and leadership role. The CFO should be employed by the trust, and the trust **must** obtain prior DfE approval if it is proposing, [in exceptional circumstances \(https://www.gov.uk/guidance/academy-trusts-off-payroll-appointments\)](https://www.gov.uk/guidance/academy-trusts-off-payroll-appointments), to appoint a CFO who will not be an employee.

Skills and experience

1.40. The CFO and their finance staff **must** be appropriately qualified and/or experienced. Trusts **must** assess whether the CFO, and others holding key financial posts, should have a business or accountancy qualification and hold membership of a relevant professional body, dependent on the risk, scale and complexity of financial operations. DfE encourages larger trusts (for example over 3,000 pupils) to consider the range of accountancy qualifications available from professional bodies such as the [ICAEW \(https://www.icaew.com/\)](https://www.icaew.com/), [ACCA \(https://www.accaglobal.com/gb/en.html\)](https://www.accaglobal.com/gb/en.html), [CIMA \(https://www.cimaglobal.com/\)](https://www.cimaglobal.com/) or [CIPFA \(https://www.cipfa.org/\)](https://www.cipfa.org/) (including CIPFA qualifications developed in partnership with [ISBL \(https://www.isbl.org.uk/\)](https://www.isbl.org.uk/)), and take this into account when filling CFO vacancies.

1.41. CFOs and other key financial staff should maintain continuing professional development and/or personal development and undertake relevant ongoing training.

Find out what the CFO role may cover in the [Institute of School Business Leadership's Professional Standards \(https://www.isbl.org.uk/isbl-professional-standards\)](https://www.isbl.org.uk/isbl-professional-standards) and its [employer guidance \(https://www.isbl.org.uk/employer-guidance-and-resources\)](https://www.isbl.org.uk/employer-guidance-and-resources), and in CIPFA's [the role of the CFO in public service organisations \(https://www.cipfa.org/members/the-role-of-the-chief-financial-officer/the-role-of-the-cfo-in-public-service-organisations\)](https://www.cipfa.org/members/the-role-of-the-chief-financial-officer/the-role-of-the-cfo-in-public-service-organisations).

CFOs may find it beneficial to engage in a local or regional network of fellow school business professionals. Find one in the [directory of school business professional networks \(https://www.gov.uk/government/publications/join-or-create-a-network-for-school-business-professionals\)](https://www.gov.uk/government/publications/join-or-create-a-network-for-school-business-professionals).

The governance professional (clerk to the board)

1.42. The academy trust **must** appoint a governance professional to support the board of trustees, who is someone other than a trustee, principal or chief executive of the trust.

Find out more about the role of the governance professional in DfE's [Academy trust governance guide \(https://www.gov.uk/guidance/-governance-in-academy-trusts\)](https://www.gov.uk/guidance/-governance-in-academy-trusts).

Being transparent about your governance

1.43. The trust **must** be transparent with its governance arrangements.

1.44. The trust **must** provide details of its governance arrangements in the governance statement published with its annual accounts, including what the board has delegated to committees and, in trusts with multiple academies, to local committees or governing bodies.

Register of interests

1.45. The trust **must** keep a register of any relevant business and financial interests, for (as a minimum) members, trustees, local governors and senior employees, serving at any point over the past 12 months.

1.46. The register **must** include their full names, date of appointment, who appointed them and their term of office (for trustees and local governors), date they stepped down (where applicable), and relevant business and financial interests including:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name and nature of the business, the nature of the interest and the date the interest began