

Schedule of Musts 2024

These are the requirements in the Academy Trust Handbook brought together into one list: the 'musts'. It abbreviates these requirements and so cannot be used as a substitute for the full handbook. References to the relevant sections are included, which must be read in full. **This tool is an entirely optional resource, and there is no requirement to submit it to ESFA.**

Paragraph	Requirement
Top 10 'musts' for chairs and other trustees	
1.11 and 1.12	Apply highest standards of conduct and ensure robust governance, comply with charitable objects, with duties as company directors, with charity law and the funding agreement.
2.3	Ensure the board of trustees meets at least three times a year.
2.4	Approve a written scheme of delegation of financial powers.
2.10	Ensure the board approves a balanced budget for the financial year and minutes their approval
2.19 and 2.20	Share management accounts with the chair of trustees monthly and consider when the board meets, taking action to maintain financial viability
2.27 and 2.28	Ensure decisions about executive pay follow a robust evidence-based process reflecting the individual's role and responsibilities, and that the approach to pay is transparent, proportionate and justifiable.
3.6 to 3.13	Appoint an audit and risk committee (either dedicated or combined with another committee) to advise on the adequacy of the trust's controls and risks.
4.4	Submit audited accounts to ESFA by 31 December
4.14	Ensure an appropriate, reasonable and timely response to findings by auditors, taking opportunities to strengthen financial management and control
5.39 - 5.55	Manage conflicts of interest, be even-handed with related parties, and ensure goods or services provided by them are at no more than cost, beyond the limits in this handbook
Roles and responsibilities	
	Adhere to The 7 principles of public life
1.1	Have the skills, knowledge and experience to run the trust
1.3	Have at least three members but should have five or more
1.4	Have suitability checks in place for members to ensure they are not subject to a direction under section 128 of the Education and Skills Act 2008
1.5	Not have members as employees, nor have members occupy staff roles on an unpaid voluntary basis
1.21, 1.37 and 2.7	Ensure regularity, propriety and value for money
1.21	Trustees to take ownership of financial sustainability and ability to operate as a going concern
1.24	Ensure committees contain a majority of trustees

Paragraph	Requirement
1.25	Not have de facto trustees or shadow directors
1.27	Include a review of the trust's governance structure and board composition in the governance statement when producing audited accounts for the first time
1.28	Appoint a senior executive leader (should be principal or chief executive)
1.29 to 1.38	Appoint an accounting officer (the senior executive leader) with responsibility for regularity, propriety and value for money and for assuring the board about compliance with the funding agreement and handbook
1.35	Demonstrate in the governance statement how the trust has secured value for money
1.35 and 4.12	Include a statement on regularity, propriety and compliance, signed by the accounting officer, in the audited accounts
1.39	Appoint a chief financial officer to lead the finance department
1.40	Have appropriately qualified and/or experienced finance staff
1.42	Appoint a governance professional (clerk to the board)
1.43	Be transparent with governance arrangements
1.44 and 1.49	Publish the trust's governance arrangements in its governance statement and in a readily accessible form on its website
1.45 - 1.48	Capture in an up to date register of interests the relevant business and financial interests of (as a minimum) members, trustees, local governors and senior employees [1.45] and interests of other individuals as described in 1.47
1.49	Publish relevant business and financial interests of members, trustees, local governors and accounting officers
1.50	Ensure governance documents are available for public inspection
1.52	Arrange DBS checks as appropriate
Main financial requirements	
2.1	Maintain robust oversight of the trust
2.2	Take responsibility for financial affairs, stewardship of assets and use resources efficiently
2.6	Have sound internal control, risk management and assurance processes

Paragraph	Requirement
2.7 and 2.25	Establish a control framework that includes: ensuring delegated financial authorities are complied with, and segregation of duties maintained co-ordinating the planning and budgeting process discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations planning and oversight of capital projects including those relating to estates safety management and oversight of assets including maintenance of a fixed asset register regularity, propriety and value for money reducing fraud and theft independent checking of controls, systems, transactions and risks a competitive procurement procedure
2.8 and 2.9	Prepare and monitor financial plans to ensure the trust remains a going concern and ensure rigour and scrutiny in budget management
2.11	Ensure budget forecasts are accurate, based on realistic assumptions and reflective of lessons learned from previous years
2.15 and 2.16	Submit a budget forecast return to ESFA
2.17	Notify ESFA within 14 days if proposing a deficit revenue budget for the current financial year which it cannot address after taking into account unspent funds from previous years, as this would be non-compliant with the funding agreement and this handbook
2.18	Prepare management accounts every month.
2.21	Manage cash position robustly and avoid becoming overdrawn
2.22	Have a cautious approach to investments in line with the handbook principles
2.24	Show that public funds have been used as intended by Parliament
2.29	Publish on trust's website the number of employees whose benefits exceeded £100k, in £10k bandings
2.30	Ensure senior employees' payroll arrangements meet HM Treasury's tax requirements
2.31	Approach ESFA to seek approval when entering into a new electric vehicle salary sacrifice scheme or accepting any further employees onto an existing electric vehicle salary sacrifice scheme.
2.32	Not use trust's funds to purchase alcohol for consumption, except where it is to be used in religious services
2.34	Charge for boarding provision in line with this handbook
2.35 and 2.36	Manage risks, including contingency and business continuity planning and maintain a risk register. Board to retain oversight of risk and conduct a full review of risk register at least annually.

Paragraph	Requirement
2.37	Have adequate insurance or be a member of DfE's risk protection arrangement
2.39	Implement reasonable risk management audit recommendations
2.40 to 2.44	Have published procedures for whistleblowing and respond properly and fairly
2.45	Provide ESFA or its agents with information of sufficient quality to meet funding requirements
2.46 to 2.50	Notify DfE via Get information about schools within 14 days of changes in information about members, trustees, local governors, chair of trustees, chairs of local governing bodies, accounting officer and chief financial officer
Internal scrutiny	
3.1 to 3.5	Check financial and non-financial controls and risks
3.13	Ensure information submitted to DfE and ESFA affecting funding is accurate and compliant
3.14 to 3.17	Ensure checks are conducted by someone independent, suitably qualified and experienced
3.14 and 3.15	Provide internal scrutiny reports to the audit and risk committee and make the findings available to all trustees promptly
3.19	Confirm in the governance statement which internal scrutiny option has been applied and why
3.20	Provide annual summary of internal scrutiny to ESFA by 31 December, and provide other internal scrutiny reports on request
Annual accounts and external audit	
4.1 to 4.4	Produce audited accounts, publish on the trust's website by 31 January and file with Companies House
4.5 and 4.6	Appoint an external auditor in writing, for the annual accounts
4.6	Put any additional services from the external auditor in a separate letter of engagement
4.7	Provide in the audit contract for the removal of external auditors
4.8	Notify ESFA immediately of the removal or resignation of external auditors, and the reasons
4.9	Prepare information, at DfE's request, for the sector annual report and accounts
4.13	Include a review of the accounting officer's statement on regularity, propriety and compliance within the external auditor's remit, and address the auditor's conclusions on regularity jointly to the trust and ESFA
4.15	Audit and risk committee to review the external auditor's plan, annual accounts, audit findings, management response and effectiveness of the external auditor and produce annual report of conclusions
Delegated authorities	

Paragraph	Requirement
5.1 and 5.2	Obtain ESFA's prior approval for transactions beyond the trust's delegated limits
5.3 and 5.4	Make financial disclosures in the annual accounts in line with this handbook
5.6	Refer novel, contentious and/or repercussive transactions to ESFA for prior approval
5.9	For staff severance payments, consider the following before committing: whether the proposed payment is in the trust's interests whether payment is justified and value for money, based on a legal assessment review the level of settlement, which must be less than the legal assessment of what the relevant body (e.g. employment tribunal) is likely to award
5.11	Obtain ESFA's prior approval for the non-contractual/non-statutory element of a staff severance payment of £50,000 or more (gross, before deductions)
5.12	Not accept a settlement for a staff severance payment unless satisfying the conditions in this handbook
5.13	Obtain prior approval for special staff severance payments of £100k or more which include a non-statutory/non-contractual element, and/or where the employee earns over £150k
5.14	Ensure confidentiality clauses do not prevent an individual's right to make disclosures in the public interest
5.15	For compensation payments, base on appraisal, including legal advice, ensuring value for money
5.16	Obtain ESFA's prior approval for non-contractual/non-statutory compensation payments of £50,000 or more
5.18	Obtain ESFA's prior approval for ex gratia payments
5.19 and 5.20	Obtain ESFA's prior approval for writing off debts and losses, guarantees, letters of comfort and indemnities beyond limits in this handbook
5.23 and 5.24	Obtain ESFA's prior approval, before acquiring and disposing of fixed assets beyond limits in this handbook and ensure disposal achieves best price
5.26 to 5.28	Obtain ESFA's prior approval for leases beyond limits in this handbook
5.31	Consider the funding needs of individual academies if pooling GAG, and have an appeals mechanism
5.31	Not pool PFI funding
5.32	Ensure gifts by the trust have the decision documented, and have regard to propriety and regularity
5.33	Obtain ESFA's prior approval before borrowing, including overdrafts but excluding finance leases on the DfE approved list, and only use credit cards for business expenditure
5.36	Ensure no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain
5.36	Ensure no payments to trustees unless permitted by the articles and comply with the terms of any agreement with the Secretary of State

Paragraph	Requirement
5.36	Obtain Charity Commission prior approval for paying a trustee for acting as a trustee
5.38	Ensure the board chair and the accounting officer manage their relationships with related parties to avoid real and perceived conflicts of interest
5.39 and 5.40	Recognise that related party transactions may attract public scrutiny and require sufficient disclosure in annual accounts to support accountability and transparency
5.41	Report all contracts and other agreements with related parties to ESFA in advance
5.42 to 5.44	Obtain ESFA prior approval for contracts and other agreements with related parties beyond limits in this handbook subject to the exceptions in 5.42
The regulator and intervention	
6.2	Arrange for letters to trusts' accounting officers from ESFA's accounting officer about the accountability framework to be discussed by the board and, where appropriate, strengthen the trust's systems
6.3	Provide DfE/ESFA with access to books, records, information, explanations, assets, premises and staff to assist with its audits
6.4	Provide DfE/ESFA with permission for any third party to provide requested information where there are concerns or an investigation is ongoing at a trust
6.5	Retain records for at least six years after the period to which funding relates
6.6	Send ESFA a financial management and governance self-assessment for new academy trusts, or constituent academies joining an existing trust
6.6	Submit school resource management self-assessment checklist to ESFA annually
6.9	Be aware of the risk of fraud, theft and irregularity and address with proportionate controls and appropriate action
6.10	Notify ESFA of fraud or theft over £5,000, individually or cumulatively, or of any value where unusual or systematic
6.14	Be aware of the risk of cybercrime and put in place proportionate controls and appropriate action where a cyber security incident has occurred
6.15	Obtain permission from ESFA before paying any cyber ransom demands
6.17	Comply with a Notice to Improve
6.18	Waive delegated authorities and obtain ESFA approval of certain transactions described in this handbook if the trust has an Ntl
6.19	Publish the Ntl on the trust's website until it is lifted
6.26	Cooperate with NAO and provide help, information and explanation