

## CST Guidance: The Role of the Accounting Officer

*This guidance sets out the principal roles of the accounting officer as expected by Parliament and set out in the Academy Trust Handbook (ATH). It also covers the key messages for academy trusts in the statutory guidance, Managing Public Money.*

### Appointment of the accounting officer

The funding agreement contains the requirement that the trust must appoint an accounting officer and assign to that person the responsibilities of the role set out in the Academy Trust Handbook (ATH) and HM Treasury's publication 'Managing Public Money'. The accounting officer should be the senior executive leader, for example, the chief executive officer in a multi-academy trust (MAT) or Principal in a single academy trust. The ATH specifically states that the role must not rotate so it cannot pass between headteachers of academies in a MAT.

The accounting officer should be employed by the trust; prior ESFA (Education and Skills Funding Agency) approval must be obtained if the trust is proposing to appoint someone, in exceptional circumstances, who is not an employee.

### The accounting officer's duty

The accounting officer has a personal responsibility to Parliament and ESFA's accounting officer for the trust's financial resources. This responsibility must not be delegated.

In practice, the accounting officer is the key individual who links the accountability and governance structures of the trust.

They must assure the board of the trust's compliance with the requirements of ATH, its funding agreement and all relevant aspects of company and charitable law.

This means that they must ensure that board receives the information that they need to perform their roles effectively.

The accounting officer must advise the board in writing if it fails to act or if action it is considering is incompatible with the articles, funding agreement or ATH. The accounting officer must consider the board's reasons should it be minded to proceed despite their advice. If they still consider that the action proposed by the board is in breach of the articles, the funding agreement or ATH, the accounting officer must notify ESFA's accounting officer immediately in writing.

### Ensuring high standards

The individual appointed as accounting officer must be a fit and suitable person for the role and must adhere to the Nolan Principles: [The 7 principles of public life](#).

They must be able to assure Parliament and the public of high standards of probity in the management of public funds particularly:

- **Ensuring regularity** - that public money is spent in accordance with the appropriate legislation, funding agreement and ATH as well as in compliance with the trust's internal procedures.
- **Ensuring propriety** - that expenditure and income are dealt with in accordance with Parliamentary intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance. It includes fairness, integrity, avoidance of private profit from public funds and even-handedness in the appointment of staff.
- **Ensuring value for money** - the economic, efficient and effective use of available resources to achieve the best possible educational and wider societal outcomes.

**Economic:** Obtaining an outcome for the least possible input of resources.

**Efficient:** Obtaining the best possible outcome for the resources input.

**Effective:** Obtaining the desired outcome.

There are specific provisions requiring the accounting officer to have oversight of financial transactions by:

- ensuring the 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 the trust's annual accounts

The accounting officer must ensure that their capacity to control and influence does not conflict with the requirements around related party transactions. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness. Transactions with the accounting officer themselves will attract greater public scrutiny and must be conducted with the high standards of accountability and transparency required. Trusts should be particularly careful where any such transactions relate to novel, contentious and/or repercussive related party transactions and must obtain prior approval of ESFA.

The business and pecuniary interests of the accounting officer must be declared and published on the trust's website whether they are a trustee or not.

## Annual Report and Accounts

The annual report and accounts must include a statement on regularity, propriety and compliance which must be completed and signed by the accounting officer. This is a formal declaration by the accounting officer that they have met their personal responsibilities to Parliament for the resources under their control during the year.

- The format of the statement is included within ESFA's accounts direction. A review of the accounting officer's statement must be included within the remit of trusts' external auditors.

- The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts: there is a standard declaration by the accounting officer acknowledging their responsibility for value for money and then several examples illustrating how they have delivered value for money during the year.

## Departure of the accounting officer

The board must approach the Regional Schools Commissioner (RSC) when the accounting officer is planning to leave the trust. This will give an opportunity for them to discuss the trust structure and options including any recruitment or succession planning.

## Supporting the accounting officer – the role of the chief financial officer

Whilst accountability for financial matters cannot be delegated, in the day-to-day financial management of the trust, the accounting officer will inevitably need to place reliance on the work of the chief financial officer (CFO) or lead finance professional.

The trust must have a CFO, appointed by the trust's board, who is the trust's finance director, business manager or equivalent, to lead on financial matters. Responsibility should be delegated to the CFO for the trust's detailed financial procedures.

The CFO should be an employee of the trust. If, in exceptional circumstances, it is proposed to appoint a CFO who will not be employed by the trust, prior ESFA approval must be obtained.

The CFO should be appropriately qualified and/or experienced. Trusts must assess whether the CFO and any others holding key financial posts should have a business or accountancy qualification and membership of a relevant professional body. There is an expectation that CFOs of larger trusts (eg over 3,000 pupils) should have an accountancy qualification. Continuing professional development and ongoing training should be undertaken by CFOs. Trusts should consider using the apprenticeship levy for CFOs and other finance staff seeking qualifications or professional development.

The CFO should play both a **technical** and a **leadership** role.

It is essential, therefore, that the person appointed as CFO has the accounting officer's trust, and they must be able to work well together. Their roles and responsibilities should be clearly set out so that tensions between the two do not arise.

## Managing public money

The trust and its officers must ensure that the public funds entrusted to it are used for the purposes intended. This money must be managed in a way that meets the expectations of Parliament, delivering accountability to the general public on whose behalf Parliament operates. Much of what managing public money requires is just good common sense, or sound financial management.

ATH sets out the areas of HM Treasury's Managing Public Money that directly apply to trusts, and all references to it provide further explanation and clarification of these areas.

Details about the accounting officer as well as the CFO must be uploaded to Get Information About Schools (GIAS) including direct contact details.

Whilst trust employees should not be members of the audit and risk committee, the accounting officer and CFO should attend to provide information and participate in discussions.

## Conclusion

The accounting officer must ensure that the trust has strong controls and be able to assure Parliament and the public, of high standards of financial management. In performing this role, the accounting officer should hold three questions in their mind:

- Can I demonstrate that the trust's funds have been spent for the purposes that Parliament intended?
- Am I satisfied that appropriate standards of conduct have been applied to all spending decisions, and that any conflicts of interest have been handled appropriately?
- Has the trust managed its resources efficiently and achieved value for money?

In other words, am I sure that the decisions I and the trust board have made are ethical and would stand the test of the Principles of Public Life.

## The litmus test of the Principles of Public Life

<b>Selflessness</b>	<b>All our decisions have been taken in the public interest</b>
<b>Integrity</b>	We have not acted or taken decisions in order to gain financial or other material benefits for ourselves, our family, or our friends
<b>Objectivity</b>	Our decisions have been taken impartially, fairly and on merit, using the best evidence and without discrimination or bias
<b>Accountability</b>	We are comfortable submitting ourselves to external scrutiny
<b>Openness</b>	We have taken decisions in an open and transparent manner
<b>Honesty</b>	We have been truthful in all our actions, decisions and reporting
<b>Leadership</b>	We have demonstrated the highest standards of public life in our individual and corporate behaviour



The Confederation of School Trusts (CST) is the national organisation and sector body for School Trusts in England advocating for, connecting and supporting executive and governance leaders. We are a membership organisation of organisations. This means that the organisation – the Trust – is the member. Our mission is to build an excellent education system in England – every school part of a strong and sustainable group in which every child is a powerful learner and adults learn and develop together as teachers and leaders.

The Governance Advisory Service is delivered by CST Professional Development Ltd on behalf of CST. CST Professional Development Ltd is a wholly owned subsidiary of CST.

The Governance Advisory Service is a safe, confidential and quality-assured service run by specialists in School Trust governance and draws on the daily experience of CST as the national organisation and sector body for school trusts.

We provide bespoke advisory services to match your current and future needs as a trust, helping you to keep your governance fully aligned to the expectations on trusts, the operational reality of your schools and with national best practice.

Tel: 0115 917 0142  
Email: [admin@cstuk.org.uk](mailto:admin@cstuk.org.uk)  
Address: Suite 10, Whiteley Mill  
Offices, 39 Nottingham Road,  
Stapleford, NG9 8AD

[@CSTvoice](https://twitter.com/CSTvoice)  
[cstuk.org.uk](https://www.cstuk.org.uk)



The Voice of School Trusts

Selflessness | Integrity | Objectivity | Accountability | Openness | Honesty | Leadership