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Conisbrough Ivanhoe Primary Academy

Audit Findings Report

Year ended 31 August 2022

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Introduction

The Board of Trustees
Conisbrough Ivanhoe Primary Academy
Old Road
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BHP LLP
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16 December 2022

Dear Trustees

Audit of the Financial Statements of Conisbrough Ivanhoe Primary Academy for the year ended 31 August 2022

This letter forms part of the ongoing communication we are required to make under the relevant auditing standard (International Standard on Auditing (UK) 260). The purpose of this document is to report to the trustees, the findings following our audit of the financial statements and regularity assurance engagement.

As explained in our audit plan, we are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the trustees. The audit of the financial statements does not relieve management or trustees of their responsibilities and details of our respective responsibilities are summarised in our letter of engagement dated 21 June 2021.

This report is prepared solely for the confidential use of the trustees of Conisbrough Ivanhoe Primary Academy. We understand that you are required to provide a copy of this report to the Education & Skills Funding Agency who may share this information internally within the Department for decision making purposes. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and will only be, granted on the basis that such reports are not prepared with the interests of anyone other than the academy trust in mind and that we accept no duty or responsibility to any other party. No responsibilities are accepted by BHP LLP towards any party acting or refraining from action as a result.

We would like to take this opportunity to thank Joy Marriot at Conisbrough Ivanhoe Primary Academy and Rebecca Everitt at Venn Academy Trust for the assistance that they have provided to us during the course of our audit.

Yours faithfully

Philip Allsop
Audit Partner
for and on behalf of BHP LLP

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Audit summary

We communicated our audit approach in our audit planning memorandum dated 24 August 2022. We confirm that no changes to this audit approach have been considered necessary.

We reconfirm that we have considered our independence and there are no changes identified since our communication at the planning stage.

Our audit fieldwork has not highlighted any additional areas of risk, other than those previously reported to you. The previously reported risks, along with a description of our audit approach and conclusions, are set out in the next section.

Our audit fieldwork is predominantly complete subject to the outstanding items noted in Appendix 4, and receipt of a signed letter of representation.

We have noted a number of potential deficiencies in internal controls that came to our attention during the course of our audit and these are set out later in this report. We will discuss these you and update our report for your responses.

Our work in relation to the regularity assurance engagement is also predominantly complete and we set out certain issues for your attention within this report.

Other areas of our report include:

- Appendix 1 details the adjustments that have been made to the trial balance provided to us at the planning stage.
- A summary of the unadjusted misstatements identified during the audit testing is detailed in Appendix 2.
- Appendix 3 draws your attention to certain qualitative aspects of accounting practice and financial reporting.

Identified audit risks

Set out below is the summary of our assessment of the key business and audit risks affecting the financial statements, together with an overview of our planned audit procedures, as identified and communicated in our audit plan. We have also set out below our approach and work performed, together with the audit conclusion in relation to each risk.

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Revenue recognition	Auditing standards state that there is a presumed risk that revenue may be misstated. In the case of academy trusts, core ESFA income such as GAG is relatively low risk but there is more risk in relation to other income such as generated income.	For grants received from DfE/ESFA, we agreed the amounts per remittances to the income recognised in the financial statements. For other new and existing grants/contracts, we reviewed the signed agreements to ensure recorded income was in line with these. Other income, if material, has been agreed from source documentation on a sample basis.	Revenue appears to have been recognised in the correct period and is materially correct in the financial statements.
Management override of controls	Auditing standards state that the presumed risk of management override of controls exists in all entities.	We used Data Analytics software to mine 100% of the entity's financial data and ran a number of tests to identify the higher risk transactions. We then tested and agreed these to supporting documentation/appropriate evidence to ensure the transactions were appropriate, correctly accounted for and did not represent a risk of management override.	We have not identified any indication of management override of financial controls which would have resulted in a material misstatement in the financial statements.
Going concern	The Academy Trust may not have sufficient reserves or a loss/decline in income could impact the ability of the Trust to continue as a going concern.	We made enquiries of management to confirm the trustees' use of the going concern basis. We have reviewed budgets and forecasts and free reserves calculation for the 12 months from the expected date of sign off. We have assessed the reasonableness of these to form an opinion on the use of the going concern basis.	Use of the going concern status appears to be appropriate.

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Identified audit risks

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Restricted funds	Risk that income and expenditure in relation to restricted funds is not correctly disclosed in accordance with the Academies Accounts Direction or spent for the relevant purpose.	As part of our transactions testing of income, we reviewed the sources of income to assess whether they should be recorded as restricted funds. We selected a sample of expenditure allocated against restricted funds to ensure the funds had been correctly applied for the purpose for which they were received.	No material issues have been identified with restricted funds. Funds appear to be materially correct in the financial statements.
Laws and regulations	Failure to comply could result in a major financial or reputational impact on the academy trust.	We reviewed the minutes of the Academy Trust, correspondence with regulators including ESFA and discussed with management to identify instances of non-compliance and claims.	No instances of non-compliance have been discovered during our audit work performed.
Related parties	Related party transactions ("RPT's") may not be correctly disclosed or on an arm's length basis. There is also a risk that transactions with connected parties do not follow the "at cost" rules in the Academies Financial Handbook.	Disclosure of RPT's must be in accordance with the Academies Accounts Direction. Register of interest forms completed by senior management and trustees were obtained from the CFO at the start of the audit. We also reviewed reporting/approval of RPT's through ESFA portal. We have tested for RPT's during our transaction testing for income and expenditure. We have also reviewed all transactions through our data analytics software for potential RPT's not identified by management. Completeness of disclosure has been confirmed with senior management.	During our related parties testing we discovered no unidentified related party transaction. Related party disclosures appear compliant with accounting regulations.

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Internal controls

Current year – new points raised this year

The purpose of the audit was to form an opinion on the financial statements. As part of our audit, we have considered the internal controls relevant to the preparation of the financial statements, in order to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal controls. The matters reported are limited to those deficiencies in internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all deficiencies that may exist or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed.

Our findings and recommendations are noted below. We have assigned a priority indication to each finding to reflect the urgency we consider management should place in addressing each item.

Red	Amber	Green
Implies a high priority issue requiring immediate management attention	Implies an important issue that should be reviewed and/or implemented at your earliest convenience	Implies an advisory issue that is raised purely for management information and possible further discussion

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
We noted 5 occasions where the date on the invoice did not match the date in the ledger, including one on the wrong side of the year end	Cut-off of purchases not measured correctly	Amber	Recognise each invoice, when received, in the ledger (unless for physical goods - recognise goods on receipt)	Staff will be reminded of the procurement procedure and the importance of monthly cut offs. Periods will be shut off throughout the year to minimise this risk.
Out of a sample of 31 expenditure items, there were 9 occasions where expenditure controls had not been followed (either quotes not obtained or purchase order control bypassed), or we were unable to verify whether controls had been followed because of a lack of documentation	Finance team is unaware that an expense has occurred until they receive the invoice; expenses raised may not actually be for approved items if staff do not follow policy	Amber	Ensure all staff follow procurement policy; if there are exceptions to the general rules these should be documented in the policy document, and a delegation of authority should be in place for staff who are expected to be raising purchases themselves.	Staff will be reminded that all expenditure mist be approved prior to expenditure and of best value practices. The procurement policy will be circulated.

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Internal controls

Current year – new points raised this year - continued

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
We noted that allocation of transactions to different funds did not occur during the year - all income and expenditure has been allocated to the restricted general fund and only split out in the accounts	There is a risk that funds are used for incorrect purposes		Ensure that each transaction is allocated against the correct fund when it is entered into the finance system	Staff will be reminded of how to code expenditure on the finance system
Of 4 employees tested, 3 did not have contracts of employment on file	Risk that a dispute over conditions of employment (including pay) might arise		Going forward, all new staff should be issued a contract	This seems to relate to longer serving members of staff. A full HR audit will be conducted to identify any gaps and access sought from HR on how to resolve.

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Internal controls

Current year – not fully resolved from prior year

We also set out below the control points raised in the prior year which have arisen again in the current year or have not yet been resolved.

Red	Implies a high priority issue requiring immediate management attention
Amber	Implies an important issue that should be reviewed and/or implemented at your earliest convenience
Green	Implies an advisory issue that is raised purely for management information and possible further discussion

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
Some members of the senior leadership team have access to debit cards which have no set limit on expenditure.	This increases the chance of fraud as there is no limit on the number of transactions which can take place, despite the limit on each individual transaction. This is unlike a credit card which would have a credit limit imposed.	Amber	We therefore recommend that the debit cards are either traded in for credit cards or overall spending limits are put on each card to prevent the risk of spending outside of the academies normal course of activities.	All cards are signed in and out by the finance team but it is acknowledged that there is no transaction limit. We will explore the option of having purchase cards where payment limits can be set.
The fundraising bank account is not recorded on HCSS.	The year end and monthly accounts do not show a true picture of the academies financial performance or position.	Amber	These transactions should be entered onto HCSS to ensure the management accounts show the full picture, although we ensure this is done in the year end accounts.	We will look to set up a new bank account on the accounting software and reconcile the funding raising account on a monthly basis going forward.
There was no preferred supplier list in place during the year. This was received during fieldwork, however the list is not mentioned in the body of the procurement policy. The list also appears incomplete, as it only includes 5 suppliers	Goods & services may be ordered with unfavourable prices/conditions	Amber	Ensure the supplier list is included in the body of the procurement policy and to ensure the list is complete. Specify approved Amazon vendors to ensure value for money.	Noted and work will be done to set up an approved supplier list with an emphasis set out to staff that they should still seek best value if that is outside of this list. We will look to set limits on the Amazon account to ensure best value is still achieved.

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Internal controls

Current year – not fully resolved from prior year – continued

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
The fixed asset register not kept up to date by management.	The Academy can't monitor fixed assets held.		We recommends that management maintain a fixed asset register going forward for all the assets held by the academy.	This will be updated monthly going forward
A number of items of fixed assets have nil net book value but are still kept in the accounts	These items may be obsolete or have since disposed of and therefore the Academy may be overstating the accumulated cost and depreciation of its assets.		We recommend a thorough review of fixed assets held alongside maintenance of a fixed asset register which is updated on a monthly basis.	A fixed asset audit will be conducted to ensure all assets are still in use. If not they will be disposed off and removed from the register.
There are no contracts or formal documentation issued for staff who are on zero-hour contracts.	There is no documentation in the event of a pay dispute.		We recommend that formal contracts are issues upon start of employment for each employee of the academy.	This was resolved during the year and all staff issued a contract
Payroll testing conducted by the internal audit providers, Hart Shaw, found a number of payroll files to contain old and outdated contract information.	The information held for employees may be out of date.		All personnel files should be reviewed to ensure that information contained in them is up to date.	A full HR audit will be conducted to ensure all personnel information is up to date. An annual review of personal information ie address, next of kin etc can be conducted by the office annually.

Internal controls

Prior year – now resolved

We have also set out the deficiencies identified in the previous year's audit with an update on the position in the current year.

Red	Implies a high priority issue requiring immediate management attention	Amber	Implies an important issue that should be reviewed and/or implemented at your earliest convenience	Green	Implies an advisory issue that is raised purely for management information and possible further discussion

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Update in current year
No evidence could be provided for 1 employee who had opted out of the pension scheme	There is no evidence that the pension rate has been applied correctly.	Amber	We recommend all documentation is kept and filed somewhere safe so that it can be produced upon request.	No issues noted in the current year.
Upon reperforming the bank reconciliations, it was found there were still some differences in the TB and bank statement figures. This was noted to be an issue with the financial system.	The bank account could be under/overstated in the accounts	Amber	We recommend that this is followed up with Access and that in the meantime manual reconciliations are performed on a monthly basis between the bank statement and the bank balance on the nominal.	No issues noted in the current year.
There is no evidence of segregation of duties between the preparation and authorisation of payroll	There is a risk that the payroll could be being tampered or altered, or people are being paid the incorrect amount.	Amber	We recommend that you introduce a step in the process of payroll preparation that allows there to be a record of the Headteacher checking the monthly payroll before the BACS run.	Recommended control is in place - we have observed the headteacher has approved payroll in the walkthrough
We could not obtain a copy of the remittance for LAC PP and SEN High Needs Element 3 income.	Risk that income received by the school may not be legitimate or not be utilised for the correct purpose.	Amber	We recommend that all documentation is kept and filed accordingly , to be able to support audit and other requested procedures.	No issues noted in the current year.

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Internal controls

Prior year – now resolved - continued

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Update in current year
We noticed a number of instances where income had been posted directly as a negative expense to expenditure nominals and vice versa. Examples include PE and Sports Grant of £10,996. This was posted to expenditure but corrected by SAAF prior to the year end.	Income and expenditure may be materially under or overstated.		We recommend that income and expenditure are posted to separate codes.	No issues noted in the current year.
Internal audit providers, Hart Shaw found quotes have not been received where they would expect there to be, in accordance with the academy's financial policies. Of the sample chosen only one required a quote, therefore it is only a small sample and could be an exception.	The financial procedures manual is not being followed correctly		Ensure that the policy is being followed and that when quotes are required, they are sought and retained with the successful order and invoice. We would advise that all members of the finance team are reminded of academy policies.	No issues noted in the current year.

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Regularity assurance engagement findings

We have conducted our regularity assurance engagement in accordance with the "Framework and guide for external auditors and reporting accounts of academy trusts" issued by ESFA in March 2022. We performed a limited assurance engagement as defined in our engagement letter. The ESFA has no right by virtue of the regularity engagement to place reliance on our work and the opinion we form in respect of our statutory financial statement audit of the academy trust.

The object of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement included examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw on our conclusions included:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately.
- Review of the Trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues.
- Ensure that ESFA approval has been obtained for relevant transactions.
- Discussions with trustees, senior leadership team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

We anticipate that we will issue an unmodified regularity assurance report for the year, subject to the satisfactory clearance of any outstanding/unresolved matters outlined in this report.

Regularity issues brought to our attention in connection with the regularity assurance engagement are set out on the following page. We have assigned a priority indication to each finding to reflect the urgency we consider management should place in addressing each point.

Regularity assurance engagement findings

Current year

(Red)	Implies a high priority issue requiring immediate management attention	(Amber)	Implies an important issue that should be reviewed and/or implemented at your earliest convenience	(Green)	Implies an advisory issue that is raised purely for management information and possible further discussion

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
Register of Interest forms (ROIs) were not up to date at time of audit. Summary of interests was not up to date on the School's website.	Governors' interests not correctly disclosed on website.	Amber	Update website ROI and maintain an up-to-date record. Remind governors that they have a responsibility to update the academy of changes.	The new website has just gone live; a review of statutory information will be conducted and ROIs updated. All governors will be reminded of their responsibility at the next full board meeting
The list of Directors on Companies House does not include the appointment of S Broadhead on 13th July.	Breach of CA 2006 S167(1) - appointments, resignations and changes must be notified within 14 days; risk of penalties incl fines (S167(5))	Amber	Follow appropriate laws and regulations by notifying Companies House promptly of any changes	Companies house will be updated
We have been unable to review the register of interest forms for Rebecca Stocks and Mark Taylor as part of our audit procedures	Related parties may not be fully disclosed.	Amber	We recommend that register of interest forms are completed and kept for all trustees and members of the senior leadership team.	All trustees were contacted for their ROIs on several occasions.
L Richards did not disclose a directorship on their ROI form.	Related parties may not be fully disclosed.	Amber	Ensure governors understand the requirements of disclosure of interests.	All governors will be reminded of this requirement. Governance is being reviewed and any gaps in knowledge will noted and training offered where applicable.
At the time of the audit, the list of governors on the website did not contain the appointment of S Broadhead on 13th July.	Governors' interests not correctly disclosed on website.	Amber	Keep website up to date with required disclosures	The website will be updated

Regularity assurance engagement findings

Current year - continued

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
Mark Taylor has not attended any meetings in the current or prior year, has also not provided an ROI form.	Trustee is not fulfilling their duties		To consider whether they should continue as a governor given their lack of oversight.	Contact has been unsuccessfully attempted on several occasions. The trust will look at removing Mr Taylor as a governor.

Regularity assurance engagement findings

Prior year

We have also set out the deficiencies identified in the previous year's audit with an update on the position in the current year.

	Implies a high priority issue requiring immediate management attention		Implies an important issue that should be reviewed and/or implemented at your earliest convenience		Implies an advisory issue that is raised purely for management information and possible further discussion

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Update in current year
We have been unable to review the register of interest forms for Rebecca Stocks and Mark Taylor as part of our audit procedures	Related parties may not be fully disclosed.		We recommend that register of interest forms are completed and kept for all trustees and members of the senior leadership team.	We note the same issue in the current year.
The management accounts do not include KPIs. They are based on transactions undertaken in the month and do not incorporate adjustments for opening balances or accrued and deferred income at each month end.	Trustees may lack the necessary oversight of the Trust's financial performance.		Ensure management accounts are adjusted for month end accrued and deferred income, and include KPIs in order for trustees to make informed decisions.	No issues noted in the current year.
The Finance Committee terms of reference does not address that the committee should direct the trust's internal scrutiny programme.	This is in breach of the Academies Financial Handbook para 3.80, which states the Finance Committee must direct the trust's programme of internal scrutiny.		Update the terms of reference to include responsibility over the internal scrutiny programme.	No issues noted in the current year.
The same individual Chairs both the Trust Board and Finance Committee.	This is has been a requirement of the Academies Financial Handbook since 1 September 2020.		Ensure that a separate Chair is elected for the Finance Committee to comply with Academies Financial Handbook para 3.10.	Rebecca Lockwood has been appointed Chair of Finance Committee.
It appears that HR advice was obtained in relation to a severance payment but it was not clearly documented at the time.	The severance pay may not be a fair figure.		Obtain documented HR advice and save it so this can be shown as evidence of discussions.	No severance in current year.

Appendix 1: Surplus/(deficit) reconciliation

We set out below the identified audit misstatements that have been adjusted in the financial statements and show a reconciliation between the surplus/(deficit) per the trial balance/management accounts provided at the planning stage and that reported in the financial statements.

	Total £
Surplus/(deficit) per trial balance	**(117,116)**
Late accrual of CIF income not yet received	307,884
Late adjustment of donated assets - KS2 toilets	149,785
Late depreciation adjustment	(8,699)
Pension finance charge	(131,000)
Depreciation adjustment	(49,213)
Fixed asset additions	91,432
Actuarial gain on LGPS pension scheme	923,000
Surplus/(deficit) per the draft financial statements	**1,166,073**

On behalf of the Board, I hereby approve the adjustments summarised above:

Signed: Caroline Lee (Dec 16, 2022 15:17 GMT) ……………………………………… Date: Dec 16, 2022 ………………………

Name: Caroline Lee ………………………………………………

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Appendix 2: Unadjusted misstatements

We set out below the misstatements above the level of 'clearly trivial' that we have identified during our audit testing. These misstatements were not considered material either individually or in aggregate and so have not been adjusted in the financial statements.

Detail	SOFA		Balance sheet	
	DR £	CR £	DR £	CR £
Overstatement of NJC Backpay accrual		2,070	2,070	
Purchases cut off errors	1,557			1,557
Unexplained discrepancies between payroll reports and journals posted to payroll nominals	10,254			10,254
Fundraising bank transactions not recorded	4,205	7,463	3,258	
Overstatement of accruals noted from a review of post year end invoices		1,530	1,530	
Capital items above the capitalisation limit included in SOFA expenditure		2,289	2,289	
Total potential adjustments	**16,016**	**13,352**	**9,147**	**11,811**
Total effect of these misstatements			**Over/(under) statement**	**2,664**

Appendix 3: Qualitative aspects of accounting practice and financial reporting

Disclosures

We set out below specific matters that we consider should be brought to your attention.

Disclosures about judgements (FRS 102 8.6)

The entity has disclosed the judgements (except those involving estimations), that management has made in the process of applying the entity's accounting policies which have the most significant effect on the amounts recognised in the financial statements.

Accounting policies

We have reviewed the entity's accounting policies and they appear to be appropriate.

Significant difficulties encountered during the audit

We encountered some difficulties due to the posting of late adjustments relating to fixed asset additions completed before the year end. This caused delays as it is difficult to accommodate deviations from the original audit plan on our resource planner.

Appendix 4: Outstanding matters

This page lists the steps which still need to be taken in order to complete the audit along with an outline of the assistance we require from you in order to complete the work in a timely manner.

- No outstanding matters

Appendix 5: Keeping you informed

Issue	Key points
Standard chart of accounts	• A few years go, ESFA published a standard chart of accounts that facilitates the completion of the academy trust's annual accounts return and budget forecast returns. • ESFA strongly recommends this for adoption and we endorse it. • It is updated slightly each year – new version to be applied from 1 September 2022. • Details can be found here: https://www.gov.uk/government/publications/academies-chart-of-accounts
Automated AAR process	• Available from 1 September 2022. • Details can be found here: https://www.gov.uk/government/publications/academies-chart-of-accounts/guide-to-automating-the-academies-accounts-return
16-19 Bursary funding	• This funding can be carried over to the next academic year but not for more than one year. • Any unspent money must then be repaid to ESFA. • We therefore recommend that you review any unspent Bursary Funding as a priority to minimise the amount which will need to be repaid after the forthcoming accounting year end.
Apprenticeship levy	• All employees with annual gross pay bill of over £3m are required to make contributions. • Chargeable at 0.5% of annual pay bill (the amount of which you pay Class 1 secondary NIC). • Connected entities need to aggregate their pay bills to check if the entities are caught by Levy. • Levy held in special account for drawdown to pay relevant apprenticeship training costs. • The government adds an additional 10% to your contributions. • Organisations not paying the Levy can still benefit. • Undrawn funds expire after 24 months. • So, we recommend that you investigate the extent of drawdown by your organisation. • In academy trust accounts, the amount claimed each year should be shown as notional income and notional expenditure.

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Appendix 5: Keeping you informed

Issue	Key points
Streamlined energy and carbon reporting ("SECR")	• Only applies to businesses which are quoted or large unquoted businesses which satisfy the size criteria as large (at least 250 employees, turnover more than £36m and/or balance sheet total more than £18m) and that consume more than 40,000 kWh of energy (in the UK) in a reporting period. • Requirement to report energy use, greenhouse gas emissions, an intensity metric, methodologies used in calculation disclosures and a narrative of measures taken to improve energy efficiency in the period. • In assessing whether the 40,000 kWh threshold is met, academy trusts must consider, as a minimum, all the energy from gas, electricity and transport fuel usage in the UK that it is responsible for. • Where an academy trust is large but does not consume more than 40,000 kWh of energy in the reporting period, it qualifies as a low energy user and is exempt from reporting under these regulations. A statement to this effect should be included in the Trustees' Report. • Large academy trusts are also encouraged by ESFA to reproduce the SECR disclosures in a readily available format on their website before 31 March each year. • The ESFA has produced a good practice guide, which is accessible here: https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/streamlined-energy-and-carbon-reporting • BHP webinar with Auditel about SECR, carbon reduction strategy and energy procurement in May 22 – recording available.
Directors' responsibilities – s.172 statements	• Only applies to large companies and subsidiaries (size criteria as for SECR reporting). • Requirement to include a statement in the Strategic Report showing how the trustees have had regard to: a) The likely consequences of any decision in the long term b) The interests of employees c) The impact of operations on the community and environment d) The need to foster business relationships with suppliers, customers and others e) The desirability of maintaining reputation for high standards of business conduct f) The need to act fairly as between members of the company • Requirement for the statement to be published on the trust's website. • Guidance by the Charity Commission available on the link below recognises that there may be overlaps between sections of the Trustees' Report and encourages charities to avoid repetition, maintain the cohesion of the narrative contained within the Trustees' Report and incorporate information by cross-reference where appropriate. http://www.charitysorp.org/media/647775/information-sheet-3-the-companies-misc-reporting-regs-2018.pdf

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Appendix 5: Keeping you informed

Issue	Key points
Gender pay reporting	• Affects organisations that have 250 or more employees. • Obligation to publish and report specific figures about the organisation's gender pay gap. • Report the data to the government online using the gender pay gap reporting service http://gov.uk/report-gender-pay-gap-data • Guidance can be found at: https://www.gov.uk/guidance/gender-pay-gap-reporting-overview

Supplier payment reporting	• Affects organisations that are classified as large (turnover in excess of £36 million, balance sheet total in excess of £18 million and employ more than 250 people).
	• Requirement to report:
	  • Standard payment terms and process for dispute resolution
	  • Statistics on the average number of days taken to make payments to suppliers
	  • An analysis of payments made in 30 days or less, between 31 and 60 days and in 61 days or more
	  • Percentage of payments not made within agreed terms
	  • Whether suppliers are offered e-invoicing and if supply chain finance is available
	  • Any charges for being on a suppliers list
	  • The name of any payment code observed
	  • Reporting is via government web-based reporting service
	• Guidance can be found at: https://www.gov.uk/government/publications/business-payment-practices-and-performance-reporting-requirements

Off-payroll working	• Affects all companies except those classified as small (Companies Act definition – where 2 or more conditions apply: turnover <£10.2m; balance sheet total, £5.1m; fewer than 50 employees). • For payments to individuals who provide their services through a PSC, there is a requirement for the end client to decide if IR35 applies. If so, the end client must account for PAYE and NIC on payments to the PSC. If the worker is being engaged via an agency, the agency must account for the PAYE and NICs. • The end client must consider if the arrangements for the worker are such that they would have been regarded as directly employed if the PASC did not exist. This must be done before payment is made. • There is a web tool to help decide, called CEST - https://www.gov.uk/guidance/check-employment-status-for-tax • Some CEST questions are technical and we recommend going through this with an Employment Taxes specialist to explain the context. • If the PSC has been engaged by an agency, the end client must still make the assessment and tell the agency if the new rules apply. • If the rules apply, the individual does not automatically get employment rights but could be entitled to worker's rights such as paid holidays, National Minimum Wage and statutory payments.