

Audit Report for the Year Ended 31st August 2024

Encompassing the Management
Letter, System Findings and other Audit Matters

Conisbrough Ivanhoe Primary Academy

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1. Audit Introduction and General Comments

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit. We are pleased to report that the audit was completed successfully and without any problems. The timescale for completing the audit and accounts is very tight, and we appreciate the effort that the finance team in particular have gone to in order to assist us.

We found your team helpful and not evasive in any way, which allowed us to obtain information freely and easily.

It is also worth noting that our audit work is only conducted on a sample basis, so is unable to guarantee that all errors are found. As a result of this, you may feel that certain areas, such as reviews of specific controls, especially in connection with wages, tax and VAT would benefit from more detailed investigation.

The finance team need to be aware that the Accounts Return needs to be completed by the deadline of 28th January 2025.

2. Key Audit Areas

<i>Key Audit Areas</i>	Our Approach
<i>Income recognition</i>	<p>We will reconcile any General Annual Grant (GAG) funding to the funding document provided by ESFA. All other material grant funding will be agreed to funding documentation.</p> <p>Other material income streams will have controls testing completed.</p>
<i>Completeness and accuracy of payroll</i>	<p>As payroll is the largest cost in the accounts a proof in total will be completed, reconciling the wages on payroll records to the accounts. We will also test controls surrounding authorisation of payroll and ensure deductions surrounding PAYE and NI have been made correctly.</p>
<i>Compliance with the ESFA requirements to ensure there are no regularity issues.</i>	<p>We will ensure the Trust is complying with the 'musts' in the Academy Trust Handbook and that purchases made are deemed to be appropriate academic expenditure.</p>
<i>Statement of Financial Activities and fund allocations</i>	<p>We will review the major classification of income and expenditure to confirm they are consistent with expectations and to consider whether explanations for significant variances are reasonable.</p> <p>We will review the allocation of funds in the statement of financial activities and ensure that this appears appropriate and in line with our expectations.</p>
<i>Going concern review</i>	<p>We will consider the ability of the Trust to continue to operate as a going concern considering the following:</p> <ul style="list-style-type: none"> - The impact of the current economic climate on the Trust's financial performance. - A review of the Trust's financial performance following the year end and its budget for the coming financial period. - The financial support the company receives from the Government and will receive in the medium to long term. - The Trustees going concern assessment provided. - The impact of increase in energy costs and support staff pay increase on the Trust's post year end financial performance.

3. Financial Executive Summary –for the Year Ended 31 August 2024

- During the year total expenditure of £2.56 million was not covered by the recurrent grant funding from the DfE together with other incoming resources of £2.52 million (excluding capital grants). The excess of expenditure over income for the period was £46k. If the depreciation and FRS 102 pension adjustments were added back to the excess figure of £46k, the Trust made a surplus of £38k. For more details see page 16.
- Total income of £2.55 million increased by £324k. This is mainly due to a £10k increase in capital grants (CIF), a £309k increase in funding for educational operations, and an £8k increase in other trading activities. For more details see pages 7-8.
- Total expenditure of £2.56 million, an increase of £350k. Expenditure mainly relates to staff costs of £1.95 million, an increase of £266k over last year. For more details see pages 9-10.
- The net book value of tangible fixed assets on the Balance Sheet is £4.98 million, decrease of £36k over the last year. This is mainly due to depreciation on the Land and Buildings amounts in the year. For more details see page 12.
- The LGPS pension scheme liability in the Balance Sheet in relation to support staff shows a net liability of £150k. This is a decrease of £64k mainly due to a change in assumptions in the salaries increase rate. For more details see page 14.
- The total amount of free reserves available for the Trust is £125k. For more details see pages 15.

4. Non-Financial Executive Summary – for the Year Ended 31 August 2024

- We have raised 16 specific audit and control points, 1 of which are key concern (red), 10 of which are moderate concern (orange) and 5 of which are minor concerns (yellow). For more details see pages 20-30. The key concern is around register of interest forms.
- There are no expected modifications to the auditors' report and regularity report.
- There is one unadjusted error above the trivial amount of £5k to report totalling £6,850. For more detail see page 32.
- We have not identified any instances of fraud or non-compliance with laws and regulations.
- You have confirmed that you believe the Trust is a going concern for a period of up to 31 December 2025, around a year after signing the accounts. We will carry out a detailed going concern review to confirm this opinion is correct.

5. Overview of the year

We can make the following summary comments in connection with the period end accounts:

Income

The total income for the Trust is made up of the following:

	2024 £	% of income	2023 £	% of income
<i>Funding for the Academy's educational operations</i>	2,458,421	96.33%	2,149,365	96.49%
<i>Capital grants</i>	35,765	1.40%	25,815	1.16%
<i>Other trading activities (Note 4)</i>	52,848	2.07%	44,890	2.02%
<i>Other voluntary income</i>	4,976	0.19%	7,291	0.33%
<i>Investment income (Note 5)</i>	24	0.00%	224	0.01%
<i>Donated fixed assets</i>	-	0.00%	-	0.00%
Total	2,552,034	100.00%	2,227,585	100.00%

Total income for the Academy Trust during the year is £2.55 million which compares to £2.23 million last year, an increase of £324k. The key reasons for this increase are:

- This year capital grants received were higher than last year by £10k. This was mainly due to the DfE connect the classroom funding received this year.

- Funding for educational operations has increased by £309k, largely due to:
 - a. an increase in GAG funding of £90k
 - b. an increase in other ESFA grants of £7k
 - c. an increase in pupil premium of £11k
 - d. other local authority funding in the year of £194k, £nil last year. The other local authority funding related to the provision of SEMH (Social, Emotional, Mental Health) Hub funding.

- Other trading activities income has increased by £8k. See more detail below.

- Other voluntary income – this is amounts received in respect of donations which has decreased by £2k when compared to last year.

As can be seen from the above 96.3% (2023: 96.5%) of the total income is made up of Government Funding for educational operations. The Government Funding income streams have been proved in total by reviewing letters and supporting documentation from funding providers.

Other trading activities income can be broken down as follows:

	2024	2023
<i>Other trading activities</i>		
<i>Hire of facilities</i>	420	-
<i>School shop sales</i>	910	-
<i>Other sales</i>	16,395	20,692
<i>Breakfast club income</i>	35,123	24,198
	52,848	44,890

Our audit work has not highlighted any systems issues or cut off concerns in respect to other income.

Expenditure

The main costs relating to the Trust are staff costs totalling £1,954,132 (2023: £1,688,276) which make up 76.27% (2023: 76.31%) of your total costs. This percentage is below the maximum guidance from ESFA of 80% and appears to be reasonably in line with other Academy Trusts we act for.

Staff costs are 77.66% (2023: 76.68%) of revenue income (excluding capital grants and donated fixed assets).

The total staff costs can be broken down as follows:

	2024	2023
	£	£
<i>Wages & salaries</i>	1,486,887	1,301,764
<i>Employers National Insurance</i>	128,805	110,998
<i>Employer pension costs</i>	333,139	247,136
<i>LGPS Service cost adjustment</i>	(31,000)	15,000
<i>Supply teachers</i>	29,001	-
<i>Other employee benefits</i>	7,300	6,600
<i>Staff restructuring costs</i>	-	6,778
Total	1,954,132	1,688,276

These costs have been reconciled to your payroll provider's reports with no material errors.

The average wage per teacher in the Trust is £39,870 (2023: £32,458).

<i>Other sizeable costs relating to the educational operations are as follows:</i>	2024 £	% of revenue income	2023 £	% of revenue income
<i>Educational supplies</i>	38,624	1.53%	31,265	1.42%
<i>Other direct costs</i>	57,136	2.27%	56,563	2.57%
<i>Professional Costs</i>	19,204	0.76%	28,611	1.30%
<i>Maintenance of premises and equipment</i>	48,086	1.91%	61,584	2.80%
<i>Maintenance costs include: £16k of various building repairs, £4k of ground maintenance, £10k of other occupancy costs, £5k of refuse removal, and £3k of health and safety costs as well as other general maintenance costs.</i>				
<i>Depreciation</i>	104,572	4.16%	10,487	0.48%
<i>Depreciation costs are based on the depreciation policies adopted and the main charge comes from depreciation the long leasehold building over 50 years.</i>				
<i>Rent, rates and utilities</i>	67,714	2.69%	42,942	1.95%
<i>Rent, rates and utilities includes £11k of gas costs, £49k of electricity costs and £6k of water rates.</i>				
<i>Insurance</i>	9,000	0.36%	8,768	0.40%
<i>Catering</i>	131,938	5.24%	132,336	6.01%
<i>Other support costs</i>	36,898	1.47%	48,595	2.21%
<i>Other support costs include admin supplies, stationery, photocopying costs and costs for non educational contracts.</i>				
<i>FRS 102 pension adjustment</i>	10,000	0.40%	20,000	0.91%
<i>The figures for the FRS 102 pension adjustment is provided by the Trust's actuary, Hymans Robertson LLP.</i>				

The remaining expenditure relates to the general running of the Trust and does appear reasonable and our audit work has not found any material errors or cut off issues.

The in year surplus (per the accounts) is provided below:

Income	Expenditure	Surplus / (deficit)	FRS 102 pension actuarial gain	Net surplus/(deficit) per SOFA	Add back depreciation	Add back total FRS 102 pension adjustments	Less FRS 102 pension actuarial gain	Net surplus/(deficit) excluding depreciation and FRS 102 pension adjustments	Less capital grants	Net surplus/(deficit) excluding depreciation, FRS 102 pension adjustments, capital grants and gains on revaluations
2,552,034	(2,562,068)	(10,034)	43,000	32,966	104,571	(21,000)	(43,000)	73,537	(35,765)	37,772

Balance sheet

The net balance sheet position including the pension scheme liability shows net assets totalling £4,951,043 (2023: £4,918,077) however when the pension liability is removed there are net assets totalling £5,101,043 compared to £5,132,077 in 2023.

The Balance Sheet is broken down as follows:

	2024 £	2023 £
<i>Tangible Fixed Assets - £4,975,639 (2023 - £5,011,240)</i>		
<i>Leasehold land and buildings</i>	4,915,320	4,994,000
<i>Furniture and equipment</i>	35,612	17,240
<i>Computer equipment</i>	24,707	-
Tangible fixed asset additions in the year amounted to £69k. The total depreciation charge for the year totalled £105k.		
<i>Debtors - £76,851 (2023 - £79,011)</i>		
<i>Trade debtors</i>	1,100	5,592
<i>VAT recoverable</i>	7,676	-
<i>Prepayments</i>	37,680	33,212
<i>Accrued income</i>	30,395	36,803
<i>Other debtors</i>	-	3,404
Accrued income mainly relates to pupil premium funding for the period up to 31 August 2024 which was received after 31 August 2024.		

	2024 £	2023 £
<i>Cash at bank and in hand - £209,706 (2023 - £141,126)</i>		
<i>Main bank account</i>	204,077	129,426
<i>Savings account</i>	5,629	11,700
<i>Creditors due under 1 year £161,153 (2023 - £99,301)</i>		
<i>Trade creditors</i>	57,573	4,095
<i>Other taxation and social security</i>	28,380	-
<i>Other creditors</i>	-	15,678
<i>Accruals</i>	34,079	49,804
<i>Deferred Income</i>	29,864	29,724
<i>Pension Scheme Creditor</i>	11,257	-

Accruals include £15k in relation to the support staff back pay increase for the five month period from April 2024 to August 2024. The support staff pay increase awarded by the Government is for an annual amount of £1,290 per employee, adjusted for their FTE (full time equivalent).

The other creditors amount in 2023 relates to VAT.

Deferred income relates to UIFSM (Universal Infant Free School Meals) funding.

These figures have been confirmed to back up information and do not indicate there are any material errors. We have also completed cut off work to ensure that all creditors are included in the accounts and no material problems have been encountered.

Pension Schemes

The Trust's employees belong to two pension schemes:

1. Teachers' Pension Scheme (TPS) for academic and related staff.

The TPS is an un-funded (no assets) multi-employer defined benefit pension scheme where there is one fund for everyone and employers are not tracked. The TPS is accounted for as if it were a defined contribution scheme and not as a defined benefit scheme.

2. Local Government Pension Scheme (LGPS) for non-teaching staff.

The LGPS is a funded defined benefit pension scheme where funds are split into regional funds and employers are tracked. The LGPS is accounted for as a defined benefit pension scheme with the scheme liability included on the Trust's Balance Sheet.

The Balance Sheet at 31 August 2024 shows a LGPS deficit for the Trust of £150,000. This compares to the deficit of £214,000 at 31 August 2023. This is a total decrease in the LGPS liability of £64,000.

This pension scheme deficit is based on the actuarial valuation completed by Hymans Robertson LLP, the Trust's Actuary.

The decrease in pension deficit of £64,000 compared to the prior year is due to the changes in assumptions used in the valuation by Hymans Robertson:

- Rate of increase in salaries - decreased to 3.30% from 3.60% used last year. The decrease in salaries usually follows the inflation margin, so the 0.30% decrease is fairly in line with the CPI decrease below. A decrease in salaries has the impact of decreasing the obligations / liability of the pension scheme and is the main driver of decreasing the liability this year.
- Discount rate - decreased to 5.00% from 5.20% last year. The discount rate represents the yield on AA-rated corporate bonds.
- Inflation (benefit increases CPI) - decreased to 2.70% from 3.00% last year

The liability is underwritten by the DfE so should never become payable by the Academy. However, it is possible that the Trust's annual contribution could increase.

Overall

We consider that the funds of the Trust have been used appropriately and for the benefit of the school's pupils during the year. The total amount of free reserves available for the Trust is £125,404 (2023: £120,836) and is made up of:

- Unrestricted funds total carry forward of £125,404, which have increased by £5k.

During the year to 31 August 2024 a transfer from of £33,205 from General Annual Grant to Restricted Fixed Asset Funds is the result of General Annual Grant money being spent on capital.

During the year to 31 August 2024 a transfer of £64,547 was made from Unrestricted General Funds to Restricted General Funds to cover the deficit on Restricted General Funds.

We will seek confirmation in your letter of representation that you are in agreement with the treatment of the above two fund transfers.

Conclusion

In respect of the performance during the year ended 31 August 2024 total expenditure of £2.56 million was not covered by the recurrent grant funding from the DfE together with other incoming resources of £2.52 million (excluding capital grants).

The excess of expenditure over income for the period was £46k before actuarial gains and losses. This excess includes £105k of depreciation charges, accounting adjustments in relation to tangible fixed assets, and (£21k) of FRS 102 pension cost adjustments, in relation to the LGPS liability. If the depreciation charges and FRS 102 pension cost adjustments were added back to the excess figure of £46k the Trust made a surplus of £38k.

We are satisfied that the Trust has used its funds effectively and responsibly.

6. Independence and Ethical Matters

As discussed in the pre-year end meeting and confirmed in our letter. There is a potential ethical issue, i.e. a self-review threat arising from our firm being involved in completing the accounts, and not just the audit.

We will mitigate the self-review threat in relation to the production of the Financial Statements by having another suitably qualified member of staff, not involved in the audit, review the accounts and complete the required accounts production checklist. We must also ensure the Academy Trust has informed management. By informed management, we mean the Trust has individuals and groups within its management that can make decisions and understand the finances of the Trust, including the Financial Statements. This group of people can actively approve any adjustments that we make to the accounts.

We agreed in our pre year-end meeting and the subsequent letter sent to you, prior to the commencement of the audit, that the following individuals were considered to be informed:

- Joe Brian (Chief Executive Officer)
- Lisa Mills (Acting Chief Executive Officer)
- Anthony Webb (SBM/Chief Financial Officer)

The Board of Trustees as a whole are also deemed to be informed.

If you do not believe that the above group of people are informed, please inform us immediately as it will potentially mean that we have to ensure further safeguards are put in place before finalising the audit.

7. Formal matters to be reported

In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the academy accounts for the year ended 31st August 2024.

a) **Expected modifications to the auditors' report and regularity report**

There are no expected modifications to the auditors' regularity report.

b) **Unadjusted misstatements**

A schedule is included at section 8 of all the unadjusted misstatements determined during the course of our audit, except for those considered to be clearly trifling. As confirmed in your letter of representation to us, you believe that these adjustments are not material and therefore no amendments to the financial statements are required.

We will seek confirmation in your Letter of Representation that any amounts below £5,000 are trivial and do not need reporting to you. During the year-end audit, we have adjusted for items below this amount as requested to by the finance team.

c) **Material weaknesses in the accounting and internal control systems**

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts.

Section 6 of this report includes specific audit points and also contains details of actual and potential weaknesses identified during the course of our audit and our recommendations for improvements. It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.

In making our recommendations, we have considered the size of the Trust and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.

d) **Qualitative aspects of the entity's accounting practices and financial reporting**

We have no comments to make concerning the qualitative aspects of the academy's accounting practices and financial reporting.

e) **Identification of Fraud**

We are pleased to report that our audit has not found any instances of fraud.

f) [Compliance with key laws and regulations](#)

Our audit is required to consider and assess the academy's compliance with central laws and regulations, and consider the existence of breaches that could lead to a fundamental event, such as excessive fines that have a material impact on the financial statements, that threaten the going concern status of the entity, or legislation that could lead to the forced closure of operations.

g) [Compliance with key laws and regulations](#)

Our work has not identified any instances of material breach, and the academy appears to have devoted sufficient resources, experience, skills and training to all key regulatory aspects of its affairs.

We are happy to offer any assistance necessary to ensure that this is the case.

h) [Other information connected with the financial statements](#)

Auditors are required to review any other information issued with audited financial statements, such as an annual review, web site announcement or trustees' report, and determine if such reports are consistent with the financial statements.

You have chosen to make public comment on the financial statements.

We are pleased to report that the trustees' report content is consistent with the financial statements.

i. [Other matters required by Auditing Standards to be communicated](#)

There are no other formal matters to be reported to you and the other details included within the report are above and beyond our requirements to report.

ii. [Other relevant matters relating to the audit](#)

There are no other matters which we wish to draw to your attention.

8. Specific audit and control points

Inherent audit risks for the sector

All Academy Trusts are potentially exposed to the following inherent audit risks:

- those in key positions having the ability to override internal controls and conceal this fact;
- errors remaining undetected as there is no independent scrutiny or checking of their work at the detailed level; and
- in extreme cases, persons acting in collusion to perpetrate fraud or conceal fundamental errors (e.g. collusion with customers over rates or payments).

Common areas in which problems may arise in the sector include:

- Petty cash and charge card transactions are made without correct authorisation giving rise to a greater risk of fraud or inappropriate expenditure.
- Fictitious staff / payments on the payroll.

Specific audit and control points

Following our recent audit work, we have set out below the key observations of a systems and internal control nature that have arisen from the audit work undertaken.

Recent times and, in particular the rise in energy costs and support staff pay increases, have brought their own challenges to the Trust and controls have been adequately modified in order to maintain sufficient segregation of duties and approval processes.

The central team also provide a 'second line of defence' for the Trust. Purchase orders are initially authorised at school level, which should prevent inappropriate expenditure. The school business managers then input the invoices.

Any points are raised to assist the management team in strengthening and formalising the internal control environment, something which is essential and often overlooked.

The recommendations made are not intended as, nor should they be construed as, criticism of management or individual persons. It is intended to be of assistance in establishing an appropriate system of internal control, essential to an Academy Trust.

Our audit focuses only on those aspects of internal control that are material to the production of accurate financial statements and safeguarding assets of the Academy Trust, and therefore is not exhaustive.

We only give consideration to peripheral areas if they directly support other systems of internal control or provide compensating controls to an area with potential weaknesses.

Where matters of efficiency come to our attention, we shall of course report these to you. However, the audit should not be relied upon to identify all matters of duplication or inefficiency in the allocation of responsibilities or the processing of transactions.

We accept that some recommendations made would involve changes or additional resources that the Trust may not consider to be cost effective. However, it is important for senior management to remain alert of the need to maintain an increasingly formal control environment to manage any risk, errors or irregularities in the financial reporting and internal control systems.

Specific audit and control points (continued)

Key



Key concern. Breach of regularity.



Moderate concern. Action believed to be required.



Minor concern. Action believed to be required, but not considered a significant issue.



No concern. Action not required, but any suggested improvement should be considered.

Register of interest forms

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
1	<p>It was noted during the audit testing that on two occasions, the Trustees haven't provided any register of interest forms, and on two occasions the members haven't provided any register of interest forms.</p> <p>The latest register of interest forms for the two Trustees and two members were also not available on the Trust's website.</p> <p>This is a breach of two must requirements (point 5.45 and 5.48) in the ESFA's Academy Trust Handbook, and was identified last year, which is why we have included it as a key concern.</p>	<p>We recommend that Trustees and Members complete register of interest forms on a regular basis and that these are kept up to date.</p> <p>The Trust's website must also include register of interest forms for all Trustees, Members and Accounting Officers.</p>	<p>This ensures that the Trust's register of interest forms are published on the website and kept up to date.</p> <p>Also that the Trust is complying with must requirements in the ESFA's Academy Trust Handbook.</p>	<p>All Trustees and Members have completed the Declarations of Interest On GovernorHub for 2024 - 2025. These have been published on our Conisbrough Ivanhoe's Website.</p>	<p>Yes.</p>

Websites

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
2	<p>It was noted during our audit testing that, on three occasions, a Trustee's term of office was not included on the Trust's website when they had resigned during the year.</p> <p>This is a breach of a must requirement in the ESFA's Academy Trust Handbook (section 1.44).</p> <p>It is noted that Trustee's term of office can be seen in the annual accounts but this is for year ended 31 August 2023.</p> <p>On two occasions, a Trustee was not showing historically on GIAS (Get Info About Schools), despite having resigned in the last 12 months.</p> <p>On some occasions, the Companies House website had not been updated for a long period of time for changes in Directors.</p>	<p>It is recommended that Get Information about Schools, Companies House website and the Trust's website are all kept up to date on a regular basis for any changes in Directors (Trustees) and members.</p>	<p>This helps ensure that Get Information about Schools, Companies House website and the Trust's website include accurate and up to date information and that the Trust is complying with the Academy Trust Handbook.</p>	<p>This is all on the school's website now, including when a Trustee Resigns.</p>	<p>No.</p>

Wages & Salaries

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
3	It was noted during our audit testing that, on one occasion, a teaching employee was being paid according to the London Fringe pay scale, not the excluding London pay scale. This resulted in a potential annual gross overpayment of £1,332.	We recommend that the correct pay scales are used when setting pay amounts across the school and that the issue identified is corrected as soon as possible.	This helps to ensure that all employees are paid correctly and in line with the relevant payscales.	This has been corrected in Payroll now. The 2024 – 2025 Pay Awards have been agreed during the last FRAC Meeting. All of the correct figures have been sent to Payroll to make the amendments 2024 – 2025, to ensure there are no errors.	No.
4	It was noted during our audit testing that, on one occasion, the new starter form was not completed and therefore not authorised by a suitable employee. It was also noted on one occasion that the leavers form was not completed and therefore not authorised by a suitable employee.	We recommend that the starters and leavers forms are completed and signed by authorised personnel, such as the Head.	This helps to ensure segregation of duties around payroll admin, helps to prevent bogus employees being paid and that the starters and leavers are authorised by the appropriate personnel.	New Starter and Leaver Forms are completed by the new School Business Manager.	Yes.
5	It was noted during our audit testing that, on four occasions, the pay amount per the personnel file did not agree to the gross pay per payroll reports – this is due to a term time formula issue. The four errors in term time formulas resulted in potential annual gross pay errors of £7, £10, £77 and £233.	We recommend that the correct term time formulas records are kept and updated on a regular basis to ensure that the term time formulas and therefore gross pay amounts are correct. We also recommend that personnel files are updated regularly to ensure the	This helps ensure that the correct pay amounts are being paid to all employees and personnel files are all kept up to date.	The New Business Manager to go through each Support Staff Paid Weeks and ensure these are correct. BM will make corrections through Payroll if not.	No.

	<p>It was noted during our audit testing that, on three occasions there was no evidence of an increase in pay grade for teaching staff. Personnel files were therefore not kept up to date. It was noted during our audit testing that, on one occasion an employee (the SBM) has been paid for only 36 hours for August 2024, despite being contracts for 37 hours.</p>	<p>correct pay scale/salary level is included. We recommend that either personnel records are updated for a change of hours worked for the employee (SBM) or the employee is paid for the contracted hours worked. We recommend that all of the payroll errors identified are corrected as soon as possible.</p>		<p>BM issues and Contract Variation to the staff member, gets this hand signed and puts this in their Personnel File. BM to check Payroll after the Office Manager has completed this.</p>	
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Purchase Invoices

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
6	<p>It was noted during our audit testing that, on five occasions, the purchase orders were ordered and authorised by the same person, and were not in line with the scheme of delegation.</p>	<p>We recommend that all purchase orders are authorised by the appropriate individual, in accordance with the delegation limits included in the Trust's Financial Procedures. We also recommend that a different person places and authorises purchase orders.</p>	<p>This helps to ensure that the Trust is complying with its Financial Procedures and that all purchases are bona fide, helps to ensure best value for money and a segregation of duties.</p>	<p>Business Manager to ensure that all Orders has a signed Purchase Order attached.</p>	Yes.
7	<p>It was noted during our audit testing that, on four occasions, the goods received note was not signed and evidenced by the person checking it.</p>	<p>We recommend that all goods received notes are signed and evidenced by the appropriate person.</p>	<p>This helps ensure segregation of duties and provides an audit trail.</p>	<p>Business Manager will ensure that all goods Received Notes have been uploaded to access and have been signed for during each BACS Run.</p>	No.

8	It was noted during our audit testing that, on three occasions, we were not able to see any evidence of any quotes being obtained.	We recommend that quotes are obtained in line with the Trust's Financial Procedures for the goods over the limit set.	This helps ensure that the Trust is complying with its Financial Procedures and helps ensure the Trust is achieving best value for money.	SBM to follow the Procurement Policy ensuring 3 Quotes have been obtained, for any works over £3k. These quotes will be uploaded and attached to Access as evidence of best value for money.	No.
9	It was noted during our audit testing, that on three occasions, three purchase orders had not been invoiced. These orders may need to be cancelled/removed from Access as they looked to be historic.	We recommend that purchase orders have an invoice allocated against them and the order list is kept up to date to see what the committed expenditure is. A list of orders should be reviewed on a regular basis and any orders no longer needed should be removed.	This helps show a true reflection of what amounts are outstanding and what orders have not been received yet. It also helps show a true reflection of what costs (order amounts) the Trust has committed to.	SBM will conduct a Monthly check of all PO's on the system. Any PO's that are not needed will be removed from the system.	No.

Banking

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
10	<p>It was noted during our audit testing that there was no record of bank reconciliations being completed by anyone and authorised by the Head in the year.</p> <p>Per yourselves these have potentially been misplaced due to a change of SBM in the year. Therefore, no audit testing was available.</p>	<p>We recommend that bank reconciliations are completed on a regular basis and the relevant staff member reviews and authorises them and dates them.</p> <p>We recommend that when these are completed they are filed and kept to provide an audit trail.</p>	This ensures that the relevant authorised personnel have financial oversight of the academy's bank balance on a regular basis.	Bank Reconciliations are carried out as part of the Monthly Management Accounts. These are always signed by the SBM and the Acting Head.	No.

VAT

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
11	<p>It was noted during the audit testing, that VAT was a creditor balance per the trial balance provided, but it in fact should have been a debtor balance per the VAT 126 form.</p> <p>We identified this issue last year and it has been corrected by ourselves during the preparation of the accounts this year.</p>	<p>We recommend that the VAT is reconciled by the academy on a regular basis, possibly monthly when the VAT 126 forms are prepared.</p>	<p>This helps ensure that VAT is per the accounts is valued correctly, and the Trust is able to reclaim VAT more easily.</p>	<p>VAT Difference has been written off by the Auditors during Year End. VAT is reconciled Monthly as part of the Monthly Management Accounts by the SBM, plus signed off by the Acting Head.</p>	<p>Yes.</p>

Expense Claims & Petty Cash

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
12	<p>It was noted during our audit testing that on eleven occasions there was no audit trail showing authorisation of debit card payments.</p>	<p>We recommend that debit card expenditure is approved by the appropriate personnel and this approval is documented as audit trail evidence.</p>	<p>This helps ensure that the authorised personnel have financial oversight of the debit card expenditure on a regular basis and that there the expenditure is bona fide and best value for money. It also helps to ensure the Trust follows its Financial Procedures.</p>	<p>SBM to ensure the office team creates and gets authorised Purchase Orders for all Debit Card Transactions.</p>	<p>No.</p>
13	<p>It was noted during our audit testing that there was a lack of audit trail surrounding expense claims, leading to an inability to sample and test these during the year.</p>	<p>We recommend that a record is kept of expense claims with the appropriate evidence and authorisation.</p>	<p>This helps to ensure that there is no fraudulent spending, the Trust is achieving best value for money and is complying with its Financial Procedures.</p>	<p>SBM to ensure all expense claims such as mileage has prior signed authorisation.</p>	<p>No.</p>

Financial Procedures

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
14	It was noted during our audit testing that the Trust only has a Procurement Policy Document around purchasing and not a set of Financial Procedures which covers any other areas.	<p>We recommend that the Trust prepares a set of Financial Procedures that includes information on;</p> <ul style="list-style-type: none"> - Purchasing orders/ non-orders - Income - Fixed assets - Payroll - Overtime - Petty cash - Expense claims - Debit card expenditure - Bank accounts - Scheme of delegation - Management accounts/month end procedures - Budgets - VAT 	This helps provide various financial procedures/guidelines that the Trust must follow and may help to ensure the Trust complies with the requirements of the ESFA's Academy Trust Handbook.	SBM and Acting Head to create a set of Internal Financial Procedures, which will be ratified by the Governors.	No.

Tangible Fixed Assets

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
15	<p>The leasehold land and buildings (included within the Balance Sheet within tangible fixed assets) was revalued in the accounts during year ended 31 August 2023.</p> <p>In accordance with UK FRS 102 accounting standards, point 17.15B; under the revaluation model, an item of property whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.</p>	<p>We recommend that land and buildings are revalued with sufficient regularity (potentially every 3-5 years) in order to make sure the Trust's Financial Statements comply with UK FRS 102 accounting standards.</p>	<p>This helps make sure the leasehold land and buildings value, included in tangible fixed assets, in the Balance Sheet, in the Trust Financial Statement's complies with UK FRS 102 accounting standards.</p>	<p>SBM to organise a company to revalue the school's Land and Building. This will occur every 3-5 Years.</p>	<p>No.</p>

Finance Committee

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust	Brought forward from 2023?
16	<p>It was noted that it appears only one separate meeting was held during the year for the Finance and Audit Committee. It was noted that the other Finance and Audit Committee meetings appear to of been combined with full Governing Body meetings during the year.</p> <p>It is noted that there has been a resignation of the Board of Trustees Chair during the year.</p>	<p>We recommend that Finance and Audit Committee meetings are held separately to full Governing body meetings where possible.</p> <p>Or if the Finance and Audit Committee meeting is combined with the full Governing Body meeting, this is made clearer at the start of the minutes.</p>	<p>This helps to ensure that the Finance and Audit Committee members are focussing on the relevant finance and audit issues.</p> <p>It also helps to ensure that the Trust is adhering to the Academy Trust Handbook, 2.5 which states; the academy trust should have a finance committee to which the board delegates financial scrutiny and oversight, and which can support the board in maintaining the trust as a going concern.</p>	<p>The Finance Risk and Audit and Full Governing Board Meetings for 2024 – 2025 have been booked and scheduled in separately throughout the Academic Year, which falls in line with the Academies Handbook.</p>	No.

It is pleasing to report that our audit work has not identified any evidence of fraud. However, we consider our recommendations should be given consideration and, where practical or cost effective, implemented.

9. Surplus reconciliation and adjustments made

Please find detailed below the adjustments made during our audit work, which form part of the journals you will approve within your letter of representation to us. If you require any clarification on the below adjustments please do not hesitate to contact us.

Per Client	£
Income	2,618,949
Expenditure	(2,611,408)
Surplus/ (Deficit) per client	7,541
Support staff backpay accrual correction	9,976
VAT recoverable write off	15,447
Rounding	2
Surplus per accounts	32,966
Income	2,552,034
Expenses	(2,562,068)
Surplus (deficit) before gains and losses	(10,034)
ActuarialGains/losses	43,000
Surplus (deficit) including gains and losses	32,966

10. Unadjusted misstatements

Detailed below are the non-trivial misstatements found during the audit.

	Impact on surplus £	Impact on balance sheet £
<hr/> <i>Year ended 31 August 2024 items –</i>		
Depreciation proof difference		
This is a difference we have identified when comparing the depreciation charge per the Trust's fixed asset register to the expected depreciation charge, calculated by ourselves.	6,850	6,850
Total potential audit adjustments for 2024	6,850	6,850

	Impact on surplus £	Impact on balance sheet £
<i>Year ended 31 August 2023 items –</i>		
Payroll reconciliation potential difference		
This amount relates to potential difference found when looking at the total figures per the payroll reports compared to the figures included in the trial balance. We have not investigated this potential difference any further due to it being immaterial.	(7,650)	(7,650)
VAT debtor difference		
This amount relates to differences found when looking at the VAT creditor figure per the trial balance compared to the VAT 126 form. We have not investigated this potential difference any further due to it being immaterial.	18,977	18,977
Total potential audit adjustments for 2023	11,327	11,327

You have confirmed in your letter of representation to us that:

- a) £5,000 is deemed to be trivial and any adjustment under this amount does not need to be reported on
- b) The above items do not require adjustment, as they are individually and in total not material.

11. Corporation tax review

On our brief review of income in summary we believe the following items are potentially taxable;

	£
Catering income (staff & visitors)	£49
Non-government revenue	£2,560
Misc income	£3,091
Bad debts written off	<u>(£260)</u>
Total potentially taxable income	£5,440

The total potentially taxable income amount above of £5,440 is below the £80k limit for corporation tax.

We have not carried out an extensive review of potentially taxable income. If you are aware of any other potentially taxable income or would like us to carry out a detailed review as a separate exercise, please let us know.

We will ask for confirmation in your letter of representation that:

Total taxable income is below the £80k limit for corporation tax, and therefore no liability is due.

12. Subsequent events

Governors to confirm that all subsequent events up to the date of the report that require adjustment of, or disclosure in, the financial statements have been identified and properly reflected therein, in accordance with ISA+ 560.

13. Summary and conclusion

As referred to earlier we have identified a number of control points, although we have not identified any fundamental weaknesses in accounting and internal control systems nor have we found any evidence of fraud. However, we consider our recommendations should be given consideration and, where practical or cost effective, implemented.

We shall be pleased to discuss or provide advice on any of the above matters as required.

Finally, we would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit.

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