

Audit Report for the Year Ended 31st August 2025

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 major 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 2026.

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 DfE. 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 DfE 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 the support staff pay increase on the Trust's post year end financial performance.

3. Financial Executive Summary –for the Year Ended 31 August 2025

- During the year total expenditure of £2.75 million was not covered by the recurrent grant funding from the DfE together with other incoming resources of £2.74 million (excluding capital grants). The excess of expenditure over income for the period was £10k. If the depreciation and FRS 102 pension adjustments were added back to the excess figure of £10k, the Trust made a surplus of £64k. For more details see page 16.
- Total income of £3.60 million, increased by £1.05 million. This is mainly due to a £821k increase in capital grants, and a £215k increase in funding for educational operations. For more details see pages 7-9.
- Total expenditure of £2.75 million, an increase of £190k. Expenditure mainly relates to staff costs of £2.14 million, an increase of £189k over last year. For more details see pages 10-11.
- The net book value of tangible fixed assets on the Balance Sheet is £5.04 million, increase of £60k over the last year. The movement includes additions of £161k in relation to the CIF nursery block works in the year. For more details see page 13.
- The LGPS pension scheme liability in the Balance Sheet in relation to support staff shows a net surplus of £nil. This is a decrease of last year's liability of £150k mainly due to a change in assumptions in the discount rate. For more details see page 15.
- The total amount of free reserves available for the Trust is £190k. For more details see pages 16.

4. Non-Financial Executive Summary – for the Year Ended 31 August 2025

- This year we have raised 7 specific audit and control points, 2 of which are key concern (red), 2 of which are moderate concern (orange) and 3 of which are a minor concern (yellow). For more details see pages 20-34. The key (red) concerns are around register of interest forms and publication of executive pay.
- Last year in 2024 we raised 16 specific audit and control points, 4 have been carried forward, are unresolved.
- 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 £21,699 in relation to a wages reconciliation difference. For more detail see page 35.
- 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 2026, 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:

	2025 £	% of income	2024 £	% of income
<i>Funding for the Academy's educational operations</i>	2,673,504	74.29%	2,458,421	96.33%
<i>Capital grants</i>	856,347	23.80%	35,765	1.40%
<i>Other trading activities (Note 4)</i>	54,774	1.52%	52,848	2.07%
<i>Other voluntary income</i>	14,048	0.39%	4,976	0.19%
<i>Investment income (Note 5)</i>	30	0.00%	24	0.00%
Total	3,598,703	100.00%	2,552,034	100.00%

Total income for the Academy Trust during the year is £3.60 million which compares to £2.55 million last year, an increase of £1.05 million. The key reasons for this increase are:

- This year capital grants received were higher than last year by £821k. This was mainly due to the DfE CIF (Condition Improvement Funding) received this year for the urgent nursery block replacement.

In the year, the Trust successfully bid for a CIF project with works commencing before the year end. In line with the Academies Accounts Direction and the accounting policies of the Academy Trust, capital grants are recognised in full when there is an unconditional entitlement to the grant, and unspent amounts of the capital grants are reflected in the restricted fixed asset fund. Entitlement arises when control over the rights or other access to the economic benefit has passed to the academy trust. Since the CIF grant offer had been made and accepted before the year end, control over access to the funds has passed to the Trust and the relevant accrued income of £848k has been reflected in the accounts.

- A capital commitment of £687k for the works contracted for but not yet complete at the year-end has also been disclosed in the financial statements.
- Funding for educational operations has increased by £215k, largely due to:
 - a. an increase in GAG funding of £134k
 - b. an increase in other DfE grants of £24k
 - c. an increase in pupil premium of £26k
 - d. other local authority funding in the year of £31k
- Other trading activities income has remained consistent, increasing by £2k. See more detail below.
- Other voluntary income – this is amounts received in respect of donations which has increased by £9k when compared to last year.

As can be seen from the above 74.3% (2024: 96.3%) 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:

	2025	2024
<i>Other trading activities</i>		
<i>Hire of facilities</i>	1,575	420
<i>School shop sales</i>	-	910
<i>Other sales</i>	8,689	16,395
<i>Breakfast club income</i>	44,510	35,123
	54,774	52,848

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 £2,143,349 (2024: £1,954,132) which make up 77.89% (2024: 76.27%) of your total costs.

Staff costs are 78.16% (2024: 77.66%) of revenue income (excluding capital grants and donated fixed assets). This percentage is below the maximum guidance from DfE of 80% (of total income) and appears to be reasonably in line with other Academy Trusts we act for.

The total staff costs can be broken down as follows:

	2025	2024
	£	£
<i>Wages & salaries</i>	1,609,665	1,486,887
<i>Employers National Insurance</i>	162,520	128,805
<i>Employer pension costs</i>	378,787	333,139
<i>LGPS Service cost adjustment</i>	(39,000)	(31,000)
<i>Supply teachers</i>	22,143	29,001
<i>Other employee benefits</i>	3,178	7,300
<i>Staff restructuring costs</i>	6,056	-
Total	2,143,349	1,954,132

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

The average wage per teacher in the Trust is £40,375 (2024: £38,964).

<i>Other sizeable costs relating to the educational operations are as follows:</i>	2025 £	% of revenue income	2024 £	% of revenue income
<i>Educational supplies</i>	30,479	1.11%	38,624	1.53%
<i>Education consultancy</i>	30,153	1.10%	33,937	1.35%
<i>Other direct costs</i>	61,676	2.25%	57,136	2.27%
<i>Professional fees</i>	14,495	0.53%	19,204	0.76%
<i>Technology costs</i>	36,686	1.34%	37,177	1.48%
<i>Maintenance of premises and equipment</i>	73,062	2.66%	48,086	1.91%
<i>Maintenance costs include: £15k of various building repairs, £23k of ground maintenance, £10k of other occupancy costs, £6k of refuse removal, and £7k of health and safety costs as well as other general maintenance costs.</i>				
<i>Depreciation</i>	105,799	3.86%	104,572	4.16%
<i>Depreciation is based on the policies adopted, the main charge comes from depreciation the long leasehold building over 50 years.</i>				
<i>Rent, rates and utilities</i>	58,698	2.14%	67,714	2.69%
<i>Rent, rates and utilities includes £5k of gas costs, £49k of electricity costs and £6k of water rates.</i>				
<i>Catering</i>	120,310	4.39%	131,938	5.24%
<i>Other support costs</i>	45,662	1.67%	36,898	1.47%
<i>Other support costs include admin supplies, stationery, photocopying costs and costs for non educational contracts.</i>				
<i>FRS 102 pension adjustment</i>	7,000	0.26%	10,000	0.40%
<i>The figures for the FRS 102 pension adjustment above 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 and capital grants
3,598,703	(2,751,930)	846,773	118,000	964,773	105,799	(32,000)	(118,000)	920,572	(856,347)	64,225

Balance sheet

The net balance sheet position including the pension scheme liability shows net assets totalling £5,915,816 (2024: £4,951,043) however when the pension liability is removed there are net assets totalling £5,915,816 compared to £5,101,043 in 2024.

The Balance Sheet is broken down as follows:

	2025 £	2024 £
<i>Tangible Fixed Assets - £5,036,120 (2024 - £4,975,639)</i>		
<i>Leasehold land and buildings</i>	4,836,640	4,915,320
<i>Assets under construction</i>	161,136	-
<i>Furniture and equipment</i>	21,973	35,612
<i>Computer equipment</i>	16,371	24,707

Tangible fixed asset additions in the year amounted to £166k and mainly related to the urgent nursery block replacement CIF works. The total depreciation charge for the year totalled £106k.

Debtors - £946,693 (2024 - £76,851)

<i>Trade debtors</i>	375	1,100
<i>VAT recoverable</i>	24,225	7,676
<i>Prepayments</i>	22,350	37,680
<i>Accrued income</i>	899,743	30,395
<i>Other debtors</i>	-	-

Accrued income mainly relates to £32k of pupil premium funding for the period up to 31 August 2025 which was received after 31 August 2025 and £848k accrued CIF income.

	2025 £	2024 £
<i>Cash at bank and in hand - £263,054 (2024 - £209,706)</i>		
<i>Main bank account</i>	250,197	204,077
<i>Savings account</i>	12,857	5,629
<i>Creditors due under 1 year £330,051 (2024 – £161,153)</i>		
<i>Trade creditors</i>	35,951	57,573
<i>Other taxation and social security</i>	35,588	28,380
<i>Other creditors</i>	-	-
<i>Accruals</i>	193,185	34,079
<i>Deferred Income</i>	24,052	29,864
<i>Pension Scheme Creditor</i>	41,275	11,257

Accruals include £11k in relation to the support staff back pay increase for the five month period from April 2025 to August 2025. The support staff pay increase awarded by the Government is for an annual amount of 3.2% per scale point per employee, adjusted for their FTE (full time equivalent). Also included in accruals in £161k relating to CIF works carried out up to the year end, invoiced post year end, in September 2025.

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 2025 shows a LGPS surplus for the Trust of £nil. This compares to the deficit of £150,000 at 31 August 2024. This is a total decrease in the LGPS liability of £150,000.

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 £150,000 compared to the prior year is due to the changes in assumptions used in the valuation by Hymans Robertson:

- Discount rate - increased to 6.10% from 5% last year. The discount rate represents the yield on AA-rated corporate bonds. An increase in the discount rate has the impact of decreasing the obligations / liability of the pension scheme and is the main driver of decreasing the liability this year.
- Rate of increase in salaries - increased to 3.30% from 3.25% last year. The increase in salaries usually follows the inflation margin, so the 0.05% increase is in line with the CPI increase below.
- Inflation (benefit increases CPI) - increased to 2.70% from 2.65% 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 £189,629 (2024: £125,404) and is made up of:

- Unrestricted funds total carry forward of £189,629, which have increased by £64k.

During the year to 31 August 2025 a transfer of £21,112 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 fund transfer.

Conclusion

In respect of the performance during the year ended 31 August 2025 total expenditure of £2.75 million was not covered by the recurrent grant funding from the DfE together with other incoming resources of £2.74 million (excluding capital grants).

The excess of expenditure over income for the period was £10k before actuarial gains and losses. This excess includes £106k of depreciation charges, accounting adjustments in relation to tangible fixed assets, and (£32k) 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 £10k the Trust made a surplus of £64k.

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 2025.

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 10 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 8 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.

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.

g) [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.

Recommendations for the year ended 31st August 2025:

Wages & Salaries

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust
1	<p>It was noted during the audit testing that on one occasion the leavers form was not completed and therefore not authorised by a suitable employee.</p> <p>Our sample was extended to find that this issue had been rectified later on in the year.</p>	<p>We recommend that the leavers forms are completed and signed by authorised personnel, such as the Head.</p>	<p>This helps to ensure segregation of duties around payroll admin, and that the leavers are authorised by the appropriate personnel.</p>	<p>Every leaver now has a leaver form which is completed after their end date. This is then signed by the Head.</p>

Purchase Orders

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust
2	<p>It was noted during the audit testing that on twenty-three occasions, there were purchase orders, individually above £500 (net), open at the year end, which should have been removed or cancelled.</p> <p>It was also noted that there was also a large amount of historic purchase orders, individually below £500 (net), which may need to be removed or cancelled.</p>	<p>We recommend that purchase orders list is reviewed on a regular basis to see what the total committed expenditure is at any given time.</p> <p>Orders should have an invoice allocated against them. Any orders no longer needed should be removed as soon as practical.</p>	<p>This helps to show a true reflection of what amounts are outstanding and what orders have not been received yet. It also helps show a more accurate reflection of what costs (order amounts) the Trust has committed to.</p>	<p>All Purchase Orders are reviewed Monthly by the School Business Manager, plus removed if not needed.</p>

Trust Board/Members

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust
3	<p>It was noted during the audit testing that on one occasion a trustee who resigned in the year was not showing in the history section on GIAS (Get Info About Schools) DfE website. Per client they were deleted from GIAS instead by mistake.</p>	<p>We recommend that all trustees are correctly showing on GIAS, and when they resign, are amended accordingly.</p>	<p>This helps to ensure that there is an audit trail for resignations of trustees and members.</p>	<p>The School Business Manager to ensure the Trustee has an end date going forward, when resigned, rather than deleting these off GIAS.</p>
4	<p>It was noted during the audit testing that on one occasion a member hasn't provided a register of interest form.</p> <p>The latest register of interest form for this member was 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 DfE's Academy Trust Handbook, and was identified last year, for two Trustees, which is why we have included it as a key concern.</p> <p>We recommend that all Trustees and Members complete register of interest forms on a regular basis and that these are kept up to date.</p>	<p>This ensures that the Trust's register of interest forms are kept up to date and are published on the website. Also that the Trust is complying with must requirements in the DfE 's Academy Trust Handbook.</p>	<p>The Trustee/Member has now left the Trust due to inactivity. The Declarations of Interest are sent to all Trustees each September by the Business Manager through GovernorHub.</p>

Publication of executive pay

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust
5	<p>It was noted that there were no details on the Trust's website of the number of employees whose benefits exceeded £100k in £10k bandings, for the previous year ended 31 August.</p> <p>Employee Benefits include salary, employers' pension contributions, other taxable benefits and termination payments.</p>	<p>This is a breach of a must requirements (point 2.29) in the DfE's Academy Trust Handbook, which is why we have included it as a key concern.</p> <p>We recommend the Trust website is updated to include the number of employees whose benefits exceed £100k.</p>	<p>This ensures that the Trust's website contains the relevant information on executive pay. Also that the Trust is complying with must requirements in the DfE 's Academy Trust Handbook.</p>	<p>This is now on the website.</p>

Business/Non-Business (BNB) VAT calculations

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust
6	<p>It was noted that you currently do not prepare any Business / Non-Business (BNB) VAT calculations. These calculations are necessary to calculate the proportion of VAT on costs that are allocated to business activities that the Trust is not allowed to reclaim. This calculation is needed if the Trust submits VAT 126 forms or is VAT registered.</p>	<p>We recommend that you prepare a BNB calculation at least annually and apply this to each VAT 126.</p> <p>We are recently seeing a lot of our academy clients having VAT inspections and this is something HMRC will challenge if it is not completed by the Trust.</p>	<p>This helps to ensure that the Trust will be able to produce a BNB calculation if requested from HMRC and that the Trust is claiming the right VAT amount on inputs.</p>	<p>We can start preparing this in the 2025 – 2026 Academic Year.</p>

Bank

	Points noted	Corrections and system improvements	Benefit of control	Action and comments by the academy trust
7	<p>During our audit testing we were unable to obtain direct confirmation of the Trust's bank balance in the form of a bank audit letter.</p> <p>This was due to our inability to obtain a letter of authority signed by two signatories of the Trust.</p> <p>This was also an issue last year, hence us raising it as a control point this year.</p>	<p>It is recommended that the Trust contacts the bank and changes the authorised signatories to be current, suitable members of staff.</p>	<p>This will allow the Trust to maintain control of their bank account and the authorised signatories can discuss issues with the bank as/when needed.</p> <p>It also allows the auditors to request a bank audit letter, which provides audit evidence.</p>	<p>We will chase the Bank to obtain Two Signatories for the Trust.</p>

Recommendations followed up from the year ended 31st August 2024:

We have assessed the issues and recommendations we made for the year ended 31st August 2024 and have reviewed whether or not action has been taken on our recommendations. A record of our findings can be found below.

Total number of recommendations brought forward from 1st September 2024	Number of recommendations implemented	Number of recommendations carried forward from previous years
16	12	4

Register of interest forms

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
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. 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 DfE'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>It was noted during audit testing that Declarations of Interest are being provided on GovernorHub for 2024-2025, and have been published to the Academy's website, however there is still one omission from this list in the year.</p>	Yes	No

Websites

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
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. This is a breach of a must requirement in the DfE’s Academy Trust Handbook (section 1.44). 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. 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>It was noted during the audit testing that a Trustee’s term of office was now correctly being shown on the Trust website.</p> <p>It was also noted that Companies House had been correctly updated in the year.</p> <p>GIAS (Get Info About Schools) however appeared to be missing historic data for a Trustee who had resigned in the year.</p>	Yes (partly)	No

Wages & Salaries

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
3	<p>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.</p> <p>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.</p>	<p>During our testing of personnel files and employee pay records, it was noted that correct pay scales were in use, likely due to the change of payroll providers from April 2025.</p>	No	Yes
4	<p>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.</p> <p>It was also noted on one occasion that the leavers form was not completed and therefore not authorised by a suitable employee.</p> <p>We recommend that the starters and leavers forms are completed and signed by authorised personnel, such as the Head.</p>	<p>During our testing it was noted that for three months of the year starters and leavers forms were not being completed and authorised. This has been rectified for the remaining nine months of the year.</p>	Yes	No
5	<p>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.</p> <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.</p> <p>Personnel files were therefore not kept up to date.</p> <p>It was noted during our audit testing that, on one occasion an employee (the SBM) has been paid for only</p>	<p>During our testing it was noted that there were no differences between an employee's personnel records, and the payroll records.</p>	No	Yes

	<p>36 hours for August 2024, despite being contracts for 37 hours.</p> <p>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.</p> <p>We also recommend that personnel files are updated regularly to ensure the correct pay scale/salary level is included.</p> <p>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.</p> <p>We recommend that all of the payroll errors identified are corrected as soon as possible.</p>			
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Purchase Invoices

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
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.</p> <p>We also recommend that a different person places and authorises purchase orders.</p>	<p>During our testing it was noted that there appears to be sufficient segregation of duties during the ordering process, and this was also in line with the Trust’s scheme of delegation.</p>	No	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>During our audit testing we noted no instances where this was an issue this year.</p>	No	Yes

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.	During our audit testing it was noted that quotes were being obtained correctly based on the Trust's Financial Procedures.	No	Yes
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.	During our audit testing it was noted that there remained numerous orders which had not been invoiced and required cancelling/removing again this year.	Yes	No

Banking

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
10	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. Per yourselves these have potentially been misplaced due to a change of SBM in the year. Therefore, no audit testing was available. We recommend that bank reconciliations are completed on a regular basis and the relevant staff member reviews and authorises them and dates them. We recommend that when these are completed they are filed and kept to provide an audit trail.	During our audit testing it was noted that bank reconciliations were being carried out on a regular basis and were being reviewed and authorised by the Headteacher.	No	Yes

VAT

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved ?
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>During our testing it was noted that the VAT was correctly showing as a debtor on both the trial balance and the VAT 126 forms.</p> <p>VAT 126 forms also appeared to have been completed on a regular basis.</p>	No	Yes

Expense Claims & Petty Cash

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
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>During our audit testing it was noted that debit card expenditure is approved and documented appropriately.</p>	No	Yes
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>During our audit testing it was noted expense claims had appropriate audit trails and authorisations.</p>	No	Yes

Financial Procedures

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
14	<p>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> <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 	<p>During our audit testing it was noted that the Financial Procedures included all of the necessary sections.</p>	No	Yes

Tangible Fixed Assets

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
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>During our audit testing we were able to obtain confirmation from the Trustees that leasehold land and buildings in the accounts were recorded at a true and fair value.</p>	No	Yes

Finance Committee

	Points Brought Forward – including recommendation made	Actions in 2024-25	Issue and recommendation carried forward to the year ended 31st August 2025?	Resolved?
16	<p>It was noted that it does not appear that separate meetings have been held for Finance and Audit Committee meetings, they appear to of been held 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. Or if the Finance and Audit Committee meeting is combined with a full Governing Body meeting this is made clearer at the start of the minutes.</p>	<p>During our audit testing it was evident that Finance and Audit Committee meetings were being held separately to full Governing Body meetings.</p>	No	Yes

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	2,735,044
Expenditure	(2,766,862)
Surplus/ (Deficit) per client	(31,818)
Support staff backpay accrual correction	(11,017)
Severance payment accrual	(6,056)
CIF accrued income	848,083
Asset under construction - CIF works	
NI contribution grant accrued	15,576
Pension adjustment	150,000
Depreciation difference	5
Surplus per accounts	964,773
Income	3,598,703
Expenses	(2,751,930)
Surplus (deficit) before gains and losses	846,773
FRS 102 pension actuarial gains/losses and asset ceiling adjustment	118,000
Surplus (deficit) including gains and losses	964,773

10. Unadjusted misstatements

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

	Impact on surplus £	Impact on balance sheet £
<i>Year ended 31 August 2025 items –</i>		
Wages reconciliation difference This error has been identified when comparing your payroll reports to the wages costs in the accounts.	21,699	21,699
Total potential audit adjustment for 2025	21,699	21,699
<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

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;

	£
Other trading activities	£6,706
Catering income for visitors/staff	<u>£15</u>
Total potentially taxable income	£6,721

The total potentially taxable income amount above of £6,721 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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