

## **Management letter**

Prepared for the board of trustees of  
The Liverpool Joint Catholic and  
Church of England Academies Trust

For the year ended 31 August 2023



## Contents

|   | Page |
|---|------|
| 1 Introduction  | 1    |
| 2 Statutory audit communication                                     | 2    |
| 2.1 Objectivity and independence                                    | 2    |
| 2.2 Audit approach and materiality                                  | 4    |
| 2.3 Accounting policies   | 5    |
| 2.4 Significant findings  | 5    |
| 2.5 Accounting estimates and judgements                             | 5    |
| 2.6 Funding position at 31 August 2023                              | 5    |
| 2.7 Significant difficulties encountered during the audit           | 6    |
| 2.8 Accounting and financial controls                               | 6    |
| 2.9 Management representations                                      | 6    |
| 2.10 Audit opinion  | 6    |
| 3 High risk areas   | 7    |
| 4 Report of significant weaknesses in systems and internal controls | 13   |
| 5 Status of audit recommendations from previous year                | 19   |
| 6 Regularity  | 20   |
| Appendix – Schedule of audit adjustments                            |      |



## 1. Introduction

We are pleased to set out in this document our report to the trustees of The Liverpool Joint Catholic and Church of England Academies Trust for the year ended 31 August 2023.

Our responsibilities as auditors are set out in the International Standards on Auditing (UK and Ireland) ("ISAs"). We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

We have carried out our audit in accordance with the terms of our engagement letter dated 2 October 2023 in order to express an audit opinion for UK statutory purposes on the financial statements of The Liverpool Joint Catholic and Church of England Academies Trust for the year ended 31 August 2023. We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you in our audit plan letter dated 23 October 2023, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention and we confirm that we are independent and able to express an objective opinion on the financial statements.

In this report, we present the key findings from our audit, together with a commentary on the significant matters arising. The matters that have been reported are limited to those deficiencies identified during the audit which we have concluded are of sufficient importance to bring to the attention of those charged with governance. This report has been discussed comprehensively and agreed with A Robb.

This report has been prepared for the sole use of the trustees of The Liverpool Joint Catholic and Church of England Academies Trust. We understand that you are required to provide a copy of this report to the Education & Skills Funding Agency who may share this information internally within the Department for decision making purposes. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and will only be, granted on the basis that such reports are not prepared with the interests of anyone other than the academy in mind and that we accept no duty or responsibility to any other party. No responsibilities are accepted by DJH Mitten Clarke towards any party acting or refraining from action as a result of this report.

We would like to express our thanks to all members of the academy trust's staff who assisted us in carrying out our work.

## **2. Statutory audit communication**

### **2.1 Objectivity and independence**

We conducted our audit in accordance with the Code of Ethics of the Institute of Chartered Accountants in England & Wales and the Ethical Standards published by the United Kingdom Auditing Practices Board. We have considered our independence and objectivity in respect to the audit for the year ended 31 August 2023.

In addition to auditing the financial statements we also provided, through other individuals, the following services to The Liverpool Joint Catholic and Church of England Academies Trust for the year ended 31 August 2023:

- Preparation of the statutory financial statements.
- Audit of the EOYC return.
- Preparation of the Annual Accounts Return.
- Review of Sage data.
- Annex G certification.



We have outlined below the safeguards that we have put in place to ensure that these services provided in 2022/23 do not cause any breaches in our independence and objectivity in relation to the audit.

| Non audit services provided                       | Safeguards put in place to reduce the threat to our integrity, independence and objectivity   |
|---|---|
| Preparation of the statutory financial statements | Internally the accounts are reviewed by a separate individual from those who have prepared the financial statements. The accounts are reviewed in full by those charged by governance of the academy trust to ensure they comply with ESFA guidance. Any accounting judgements required are made by the audit client. |
| Preparation of the Annual Accounts Return         | The return is prepared from data in the statutory financial statements and as such is covered by those safeguards above.  |
| Audit of the EOYC return                          | This service is provided by a separate individual from those who have audited the financial statements.   |
| Review of Sage data                               | This service has formed part of the interim work for the audit.   |
| Annex G certification                             | This service is provided by a separate individual from those who have audited the financial statements.   |

The following fees have been charged for our audit services:

- Audit of financial statements - £13,750
  - Annual accounts return - £1,300
  - Other services - £2,550
- Academies Accounts Direction 2022 to 2023.
  - Academy Trust Handbook 2022.
  - Statement of Recommended Practice, Accounting and Reporting by Charities (FRS 102).
  - Applicable accounting standards.

To maintain our independence as auditors we can also confirm that:

- DJH Mitten Clarke, its directors and the audit team have no family, financial, employment, investment or business relationship with the company; and
- Audit and non-audit fees paid by the company do not represent a significant proportion of total fee income for either the firm or office.

We confirm that, in our professional judgement, the firm is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

### **Legal and regulatory requirements**

In undertaking our audit work we considered compliance with the following legal and regulatory requirements, where relevant:

- Companies Act 2006.
- Charities Act 2011.
- Academies Act 2010.
- Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

### **2.2 Audit approach and materiality**

Our audit planning has taken account of the issues highlighted through discussions with A Robb, together with our knowledge and understanding of the academy trust.

We confirm that there were no restrictions on the scope of our audit procedures and we have been able to undertake our work as set out in our planning meeting.

In our planning we have taken account of the results of our risk assessments made in accordance with the guidance set by the ISAs. Our consideration of high risk areas is documented in full within section 3 of this report.

Based on this rigorous process we have used our professional judgement and formed a materiality level. A matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements and the value at which if errors, on their own or in aggregate, were uncorrected would result in a potential qualified audit opinion. The audit materiality of the financial statements as a whole has been set at approximately 2% of total incoming resources.



We have considered this level of materiality based on the draft accounts for the year ended 31 August 2023 and are satisfied that it continues to be appropriate.

Underpinning materiality is a level of triviality, £18,000, at which any error or omission in excess of this value is recorded and reported to management.

In planning and carrying out our work, we applied a group materiality level to The Liverpool Joint Catholic and Church of England Academies Trust of £368,000 based on 2% of income.

### **2.3 Accounting policies**

In preparing the financial statements of the academy trust, directors/trustees are required under FRS 102 to review the academy trust's accounting policies on an annual basis to ensure they remain appropriate to the academy trust's circumstances and are properly applied.

We have reviewed the accounting policies selected and operated by the academy trust, and are satisfied that they are acceptable.

### **2.4 Significant findings**

There are no significant matters that we feel need bringing to the attention of the trustees.

### **2.5 Accounting estimates and judgements**

The property is recorded in the accounts at valuation. The basis of the valuation is existing use value calculated on a depreciated replacement cost basis.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives.

The principal annual rates used were as follows:

|                                |  |
|--------------------------------|--|
| Leasehold buildings            | 50 years straight line                   |
| Fixtures, fittings & equipment | 5-10 years straight line                 |
| Computer equipment             | 3-4 years straight line/reducing balance |

### **2.6 Funding position at 31 August 2023**

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy trust and are restricted to both the day to day running of the academy trust and capital expenditure. The balance carried forward on this fund is a surplus of £1,169,000, being £1,810,000 general funds less the pension deficit of £641,000.

Restricted fixed asset funds are those funds relating to the long term assets of the academy trust used in delivering the objectives of the academy trust. The balance carried forward on this fund is £32,697,000. Additional analysis of this fund by nature has been provided to comply with the Academies Accounts Direction.

Unrestricted funds are funds to which the governing body may use in the pursuance of the academy trust's objectives and are expendable at the discretion of the trustees. The balance carried forward on this fund is £1,378,000.

The trust pooled its GAG resources from 1 September 2021 and as such there is no split of funds between the individual academies within the trust.

### **2.7 Significant difficulties encountered during the audit**

The only difficulty during the audit related to the impact of using two accounting systems during the year. Although a review of the data held within Sage had taken place previously, there was still a significant amount of work to be done to reconcile the income received within the year and additional time spent reviewing two sources for potential transactions.

### **2.8 Accounting and financial control systems**

During our audit we examined the design and implementation of the internal controls relevant to the accounting systems and procedures.

The review of internal controls was carried out with a view to expressing an opinion on the financial statements for the year and was not directed primarily towards discovering weaknesses or towards the detection of fraud. Therefore our comments on these systems include only those matters that have come to our attention as a result of our normal audit procedures, and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made. Please refer to section 4 of this report.

### **2.9 Management representation**

We include a copy of the draft management representation letter. There are certain specific representations which we are required by auditing standards to obtain from management as part of our audit procedures. In addition, we are required to obtain other representations on matters material to the financial statements where other sufficient appropriate audit evidence cannot be reasonably expected to exist.

### **2.10 Audit opinion**

Based upon the findings and conclusions of our work, we expect to issue an unqualified audit opinion on the financial statements.



### 3. High risk audit areas

| Issue   | Audit risk   | Audit procedures undertaken   | Conclusion   |
|---|--|---|--|
| <p>Fund Accounting</p> <p>The accounts include a number of restricted and unrestricted funds and the audit risk is that income and expenditure is not correctly allocated to the correct fund.</p> <p>Funding providers will impose restrictions on the use of funds given to the academy trust. Such funds should be allocated to the statement of financial activities in accordance with guidance by individual funders.</p> | <p>Incorrect disclosure of restricted and unrestricted reserves in the financial statements.</p>   | <p>We reviewed the nature and purpose of each fund in line with supporting documentation and tested a sample of transactions to ensure that they are allocated to the correct fund.</p> <p>Reviewed income and expenditure headings on a line by line basis to ensure compliance with the Academies Accounts Direction.</p> | <p>There are no uncorrected material mis-statements in respect of the allocation between restricted and unrestricted reserves in the financial statements.</p> <p>No issues were found during our income and expenditure testing.</p> <p>Restricted and unrestricted income and reserves appear appropriate.</p> |
| <p>Completeness of payroll costs</p>  | <p>The payroll function is outsourced. Our knowledge of the academies market has shown some error risk posed over outsourced payrolls.</p> | <p>We performed analytical procedures to ascertain whether the salary costs for the year were in line with our expectations. We carried out a reconciliation between the staff costs in the financial statements and the payroll summaries. In addition, tests of control to ensure key controls are being adhered to.</p>  | <p>Payroll costs in the financial statements do not appear to be materially mis-stated.</p>  |

| Issue  | Audit risk   | Audit procedures undertaken   | Conclusion  |
|--|--|---|---|
| <p>FRS 102 Accounting for Pensions</p> <p>Treatment of the academy trust's share of pension scheme deficits/assets</p> | <p>Incorrect treatment of the pension valuation.</p> <p>Financial statements are not prepared in accordance with sector accounting guidance.</p> | <p>We obtained the FRS 102 pension valuation as at 31 August 2023 and assessed the disclosures and accounting entries made by the academy trust.</p> <p>We confirmed that the basis of valuation was appropriate and that the disclosures made in the financial statements were prepared in accordance with FRS 102 and the sector standard as set out in Academies Accounts Direction.</p> | <p>Pension valuation and disclosures in the accounts appear reasonable in line with the valuation received and the Academies Accounts Direction requirements.</p> <p>The pension liability has been recognised in line with FRS102 accounting requirements.</p> |
| <p>Management override of internal controls</p>  | <p>Potential risk of management override of internal controls (this being a presumed risk inherent within current auditing standards).</p>       | <p>A suitable level of professional scepticism was applied throughout all areas of audit testing. We reviewed manual journals and accounting estimates such as accruals and provisions and consider any pressures on management to achieve results.</p>   | <p>No evidence of management override was found during our audit procedures.</p>  |



| Issue   | Audit risk  | Audit procedures undertaken   | Conclusion   |
|---|---|---|--|
| <p>Revenue recognition in respect of ensuring that all income received by the academy trust is recognised in the correct period.</p> <p>The cut off on income needs to be established correctly to ensure that the academy trust's income is not over or understated.</p> <p>Completeness of income is to be established to ensure all income receivable in the year has been recognised appropriately.</p> | <p>Grant/other income not being recognised in accordance with the Charity SORP (FRS 102) recognition criteria and per the underlying funding agreement.</p> | <p>The accounting policies adopted by the academy were reviewed, considering the guidance available in Charity SORP (FRS 102) and the recognition criteria of entitlement, certainty and measurement.</p> <p>A review of grant funding agreements was performed to determine whether the grant income had been recognised in the appropriate period.</p> <p>Discussions were held with management and meeting minutes reviewed to identify any unexpected one-off sources of income and to ensure that the accounting treatment is appropriate.</p> | <p>Income appears to have been appropriately recognised by the academy trust.</p> <p>The revenue recognition policy appears appropriate and in line with the Academies Accounts Direction.</p> |

| Issue                                   | Audit risk  | Audit procedures undertaken  | Conclusion  |
|---|---|--|---|
| <p>Going concern</p>                    | <p>It is the responsibility of the trustees to assess the ability of the academy to continue as a going concern for a period of not less than 12 months following the anticipated date of sign off. This is a key risk given the current economic climate and pressures on government spending.</p> | <p>We have reviewed the considerations of management including cash flow forecasts and budget reports in relation to the going concern assumptions made.</p> <p>We have confirmed grant funding to supporting statements.</p>  | <p>We concur with the trustees' decision that going concern is an appropriate basis on which to prepare the accounts.</p> |
| <p>Payments made to related parties</p> | <p>That payments made to related parties are not in line with current guidance and the latest Academy Trust Handbook by being made at cost.</p>   | <p>All related party transactions that have been identified have been reviewed to ensure that the most recent guidance has been followed correctly and that relevant documentation has been seen to prove this. Signed statements of assurance have been obtained.</p> | <p>Related party transactions have been disclosed appropriately in the financial statements.</p>                          |



| Issue                                       | Audit risk  | Audit procedures undertaken  | Conclusion  |
|---|---|--|---|
| <p>Fixed asset valuation and impairment</p> | <p>That assets inherited on conversion are incorrectly valued.</p> <p>Where CIF projects are on-going, that these costs are capitalised and recognised as assets under construction appropriately.</p> <p>Compliance with FRS102 in carrying out impairment reviews where impairment indicators arise, such as going concern.</p> | <p>We have performed calculations on asset values on conversion to verify the amounts stated in the financial statements.</p> <p>We have performed cut off testing on capital projects on-going around the year end.</p> <p>We have considered whether any impairment indicators have arisen in the year and assessed the need for an impairment review.</p> <p>We have physically verified assets brought forward in the financial statements. We have verified a sample of asset additions to supplier invoices.</p> | <p>Fixed assets in the financial statements are appropriately valued at cost and depreciated accordingly.</p> <p>Additions have been identified in the year and capitalised appropriately to the correct category.</p> <p>No impairment indicators have arisen in the year.</p> |

| Issue   | Audit risk   | Audit procedures undertaken  | Conclusion  |
|---|--|--|---|
| <p>Conversion of new academies into the trust</p> | <p>New academies converting into the trust is inherently a risk due to the material nature of balances transferred on conversion. Balances transferred on conversion must be classified as restricted or unrestricted appropriately.</p> | <p>We have reviewed supporting documentation regarding the balances recognised on conversion.</p> <p>We have vouched corresponding the local authority regarding the amounts transferred on conversion.</p> <p>We have assessed the control environment and governance surrounding the new academies in the trust.</p> | <p>Schools which have joined the trust in the year have been accounted for appropriately.</p> |



## 4. Report of significant weaknesses in systems and internal controls

### 4.1 Introduction

We set out below the significant matters we became aware of during our audit, which relate to the effectiveness of the company's accounting and financial control systems. We have used the following grading system to indicate the significance of the issues we have raised and the priority that we believe should be given to our recommendations.

| Rating   | Description  |
|----------|--|
| High     | <p>Should be urgently attended to by the directors and management.</p> <p>These are significant issues that may result in a qualification in the audit report in future periods if not satisfactorily addressed.</p>   |
| Moderate | <p>Issues requiring the attention of the directors and management.</p> <p>Issues ranked as moderate require close monitoring by the board and senior management to ensure timely resolution.</p>   |
| Low      | <p>Issues requiring management attention and correction.</p> <p>Issues ranked as low are generally routine in nature and should be resolved by general management.</p> <p>The board and senior management should be aware of these issues to enable monitoring of progress with their resolution. These issues may be reported to management in less detail than more highly rated issues.</p> |

| Audit finding   | Potential effect  | Priority | Recommendation  | Responsible Owner | Implementation Date         |
|---|---|----------|---|-------------------|-----------------------------|
| <p>1</p> <p>There is some work to be done on the consistency of postings to relevant nominal codes. For example, repayments of loans were posted to 4 different nominals across the year. This was further hampered by the fact there were 2 accounting systems in the year.</p>  | <p>Potential for monthly management accounts to be inaccurate. Risk of inaccurate reporting in the BFR submissions.</p> |          | <p>Finance staff should be provided with standard nominal codes for posting of regular items. Additionally any items in relation to LSSP or 16-19 bursary are to be posted to balance sheet nominal codes only.</p>                                 | <p>CFO</p>        | <p>As soon as possible.</p> |
| <p>2</p> <p>Further to last year's management letter, we have been unable to locate a schedule of members' pecuniary interests within the trust website.</p> <p>The accounting officer is also missing from the pecuniary interests on the trust website.</p> <p>The most recent schedule of pecuniary interests included on the trust website for trustees is from the autumn term of 2022, and as such does not include the newer trustees appointed in the year. One of these trustees has a pecuniary interest identified at Companies House.</p> |   |          | <p>Regular reviews are to be performed to ensure all relevant disclosures are included on the trust's website. An internal scrutiny review of the trust's compliance with the DfE website disclosure requirements would support an improvement.</p> | <p>Clerk/ CFO</p> | <p>As soon as possible.</p> |



|   | Audit finding   | Potential effect  | Priority | Recommendation   | Responsible Owner | Implementation Date  |
|---|---|---|----------|--|-------------------|----------------------|
| 3 | <p>Our testing of purchases in the year again identified orders that have been raised after the invoice date. Although the volume is smaller than the prior year this still needs to be reviewed by the relevant persons.</p>   | <p>Risk of a lack of oversight over trust funds could lead to unauthorised spends in excess of the budget.</p>  |          | <p>We would recommend all finance personnel (both existing and incoming at new schools joining the trust) are reminded of internal systems and processes to be followed.</p>       | CFO               | As soon as possible. |
| 4 | <p>During our testing of payroll functions we identified 2 starters in the year for whom no signed contract was on file.</p>  | <p>There is a risk that the system is not adequately robust.</p>  |          | <p>We would recommend the system in place includes obtaining a copy of the signed contract for the individual's personnel file in case of any matters arising at a later date.</p> | CFO/ HR manager   | As soon as possible. |
| 5 | <p>Further to last year's management letter, VAT claims are still not being prepared on a regular basis. This has also been recommended during the internal scrutiny review.</p> <p>This year it also looks as though no return includes data from February 2023.</p> | <p>Although claims are not required to be made by a certain date as they are VAT126 forms, best practice for cashflow purposes would be to submit on a more regular basis.</p> <p>Irregular VAT returns have resulted in missed claims.</p> |          | <p>It is recommended that the trust submits monthly VAT reclaims moving forward.</p>   | CFO               | As soon as possible. |

| Audit finding   | Potential effect   | Priority | Recommendation  | Responsible Owner | Implementation Date  |
|---|--|----------|---|-------------------|----------------------|
| 6<br>During our review of the creditor ledgers a significant value of payments on account were identified. These were raised with the finance team who have confirmed that some values have been included within accruals at year end, but not all.<br><br>This test also highlighted that in one instance a purchase invoice to the value of £3,690.90 was paid twice. | If the trust pay suppliers in advance of receipt of goods/ services, there is a potential to lose money.<br><br>In addition this is not following the trust's own procedures as set out in section 9.2 of the financial procedures manual. |          | Payments on account should not be made unless there is sufficient paperwork provided.   | CFO               | As soon as possible. |
| 7<br>During our testing it was noted that the internal finance manual does not require purchase orders for charge card purchases although some staff members do raise them as a matter of course.   | Although the manual has been agreed by the trustees we would suggest that this is not best practice as no approval is required before a purchase.  |          | We would advise that best practice would be for all credit card purchases to have a pre-approved purchase order/requisition form completed. | Trustees          | As soon as possible. |
| 8<br>During the audit we have been made aware that a chargecard was stolen by a group of students and used at a local store.  | Potential for misappropriation of assets.  |          | We are aware that the charge card procedures have now been altered.   | CFO               | Already actioned     |



### 5. Status of audit recommendations from previous year

During the course of the audit we revisited the audit recommendations from the previous year's audit management letter and set out below the status of these recommendations.

| Observations in 2022   | Update in 2023  |
|--|---|
| The most recent finance manual was dated 2020-21. Wording in section 8.2 needed to be corrected to reflect the correct policy.   | Similar point raised again this year.   |
| The schedule of interests for the trustees on the trust website was not in line as we would expect.                              | Similar point raised again this year.   |
| No schedule on the website for members' interests.   | We have not been able to locate this on the website again this year. Raised as a management letter point above. |
| No disclosures had been made to the ESFA for related party transactions.   | Relevant disclosures have been made in the year and provided as part of the audit.                              |
| Remittances were missing for some local authority receipts, risking misappropriation of income.                                  | Remittances provided this year along with supporting emails where appropriate.                                  |
| Amounts received in relation to looked after pupils had been treated as an agency arrangement rather than income for the trust.  | No such issues this year.   |
| A creditor value on the ledger was in excess of the value of the invoice.  | No such issues this year.   |
| A sample of payroll new starter forms had been completed but not signed.   | No such issues this year.   |
| Issues surrounding purchase orders being raised after the invoice date and no easy way of reviewing who had approved an invoice. | Similar point raised again this year.   |
| VAT claims not being made on regular basis.  | Similar point raised again this year.   |

## 6. Regularity

There were no regularity, propriety and compliance matters that we became aware of during our audit, which relate to the responsibility to ensure that public money is spent for the purpose intended by Parliament (regularity) and a responsibility to ensure that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under the academy's control (propriety).



## Appendix

### Reconciliation of audited surplus

The surplus per the financial statements has been derived as follows:

|   | Statement of financial activities |           | Balance sheet |       | Effect on surplus/(deficit) for year |
|---|-----------------------------------|-----------|---------------|-------|--------------------------------------|
|   | £                                 | £         | £             | £     | £                                    |
| <b>Surplus/(Deficit) per draft trial balance</b>  |                                   |           |               |       | <b>(4,737,800)</b>                   |
| <b>1. Depreciation adjustment</b>                 |                                   |           |               |       |                                      |
| Dr Reserves                                       |                                   |           | 4,782,889     |       |                                      |
| Cr Depreciation charge                            |                                   | 4,782,889 |               |       |                                      |
| To recognise the depreciation charge for the year |                                   |           |               |       | 4,782,889                            |
| <b>2. Interest on CIF loan</b>                    |                                   |           |               |       |                                      |
| Dr Interest charge                                |                                   | 1,174     |               |       |                                      |
| Cr CIF loan                                       |                                   |           |               | 1,174 |                                      |
| To recognise the interest on the CIF loan         |                                   |           |               |       | (1,174)                              |
| <b>3. Reallocate loan repayments</b>              |                                   |           |               |       |                                      |
| Dr CIF loan                                       |                                   |           | 1,736         |       |                                      |
| Cr Legal costs                                    |                                   | 1,736     |               |       |                                      |
| Reallocate the repayment of CIF loan              |                                   |           |               |       | 1,736                                |

|  | Statement of financial activities |   | Balance sheet |   | Effect on surplus/(deficit) for year |
|--|-----------------------------------|---|---------------|---|--------------------------------------|
|  | £                                 | £ | £             | £ | £                                    |

**4. Reallocate amount due back due to unspent bursary**

|    |  |        |        |  |          |
|----|--|--------|--------|--|----------|
| Dr | DFE Grants                                 | 73,659 |        |  |          |
| Cr | ESFA creditor                              |        | 73,659 |  |          |
|    | <i>Reallocate amount in nominal 510113</i> |        |        |  | (73,659) |

**5. Reallocate LSSP nominal 810202**

|    |   |         |         |  |         |
|----|---|---------|---------|--|---------|
| Dr | LSSP nominal in balance sheet                   |         | 102,408 |  |         |
| Cr | LSSP nominal in SOFA                            | 102,408 |         |  |         |
|    | <i>Being LSSP monies to be held as creditor</i> |         |         |  | 102,408 |

**6. Reallocate 16-19 bursary nominal 880150**

|    |                                    |     |     |  |     |
|----|------------------------------------|-----|-----|--|-----|
| Dr | 16-19 bursary creditor             |     | 550 |  |     |
| Cr | 16-19 bursary income & expenditure | 550 |     |  |     |
|    | <i>Being 16-19 bursary monies</i>  |     |     |  | 550 |

**7. Accrue pupil premium**

|    |  |        |        |  |        |
|----|--|--------|--------|--|--------|
| Dr | Accrued income                                       |        | 24,250 |  |        |
| Cr | Pupil premium  | 24,250 |        |  |        |
|    | <i>Being pupil premium accrual for Faith Primary</i> |        |        |  | 24,250 |



|  | Statement of financial activities |   | Balance sheet |   | Effect on surplus/(deficit) for year |   |
|--|-----------------------------------|---|---------------|---|--------------------------------------|---|
|  | £                                 | £ | £             | £ | £                                    | £ |

**8. Defer UIFSM**

|    |   |        |        |  |  |          |
|----|---|--------|--------|--|--|----------|
| Dr | UIFSM   | 11,357 |        |  |  |          |
| Cr | Deferred income   |        | 11,357 |  |  |          |
|    | <i>Being UIFSM monies received in relation to 23/24 for Faith Primary</i> |        |        |  |  | (11,357) |

**9. LGPS Reconciliation**

|    |  |           |  |  |  |           |
|----|--|-----------|--|--|--|-----------|
| Dr | Pension liability                        | 2,443,000 |  |  |  |           |
| Cr | Actuarial gains                          | 2,443,000 |  |  |  |           |
|    | <i>To recognise the movement in LGPS</i> |           |  |  |  | 2,443,000 |

Rounding

(2,000)

**Actual Surplus/(Deficit) per financial statements**

2,528,843

There are no uncorrected material errors or omissions in isolation or aggregate.





DJH Mitten Clarke Audit Limited  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

**Date:** 6<sup>th</sup> December 2023

Dear whom this may concern,

Thank you for your time during the audit and for the management report. Responses to the audit report are set out below.

Management Letter response:

1. With the employment of a group accountant and new finance system now implemented greater oversight will be given to the integrity of the accounts.
2. Board have recently approved a governance professional role who will lead on governance and undertake quality assurance checks ensuring we are fully compliant. Website is now up to date and Directors have been reminded of the importance of these returns.
3. Monthly network meetings have been set up with school operational officers who have the in-school responsibility for finance. This will also be addressed with headteachers at the finance kit meetings. All staff have received the finance manual and received the appropriate training, however further reminders will be sent to all staff.
4. Currently in the process of procuring a new HR system which will provide a full recruitment package. Contract will be automatically issued from the system and electronic signature will be requested. Trust in the meantime have invested in docu-sign for all new contracts.
5. VAT is now being submitted monthly and forms part of the monthly finance checklist which is overseen by the group accountant.
6. The new finance system should mitigate the risk of any overpayment to suppliers due to the automated supplier payment module. Greater scrutiny of forecasts should also aid any overpayments.
7. Board approved on 6<sup>th</sup> December for the finance manual to be updated to reflect the auditor's recommendations.
8. Appropriate action has already been taken and processed reviewed and implemented.





Yours sincerely,



Heather Duggan  
Accounting Officer

