



Sir Roger Manwood's
School
Key Audit Findings

For the year ended

31 August 2021

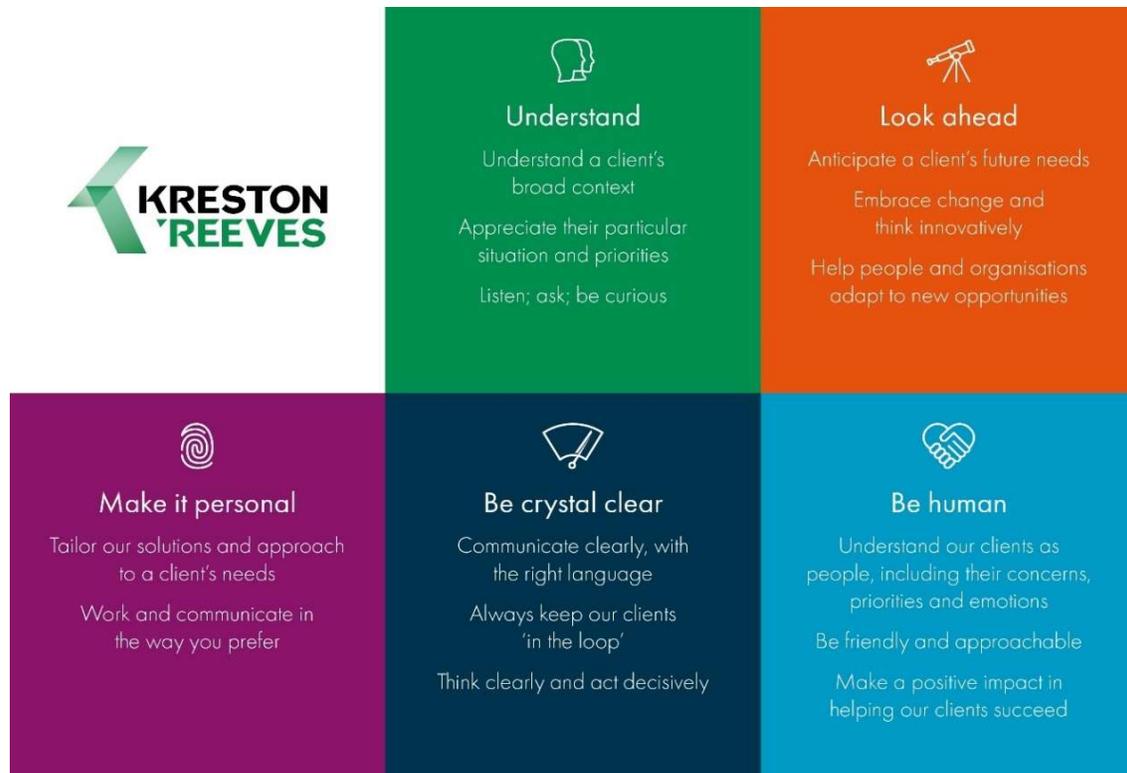
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Our values



Our values define who we are and how we do things at Kreston Reeves. They reflect our attitudes and behaviours and represent a promise of quality, personal service and commitment to our clients, communities and colleagues.

Collectively and individually we aim to



**Key Audit Findings
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**Key Audit Findings
For the year ended 31 August 2021**

1. Introduction and audit summary

The purpose of this report is to bring to your attention our findings from the recent audit carried out on Sir Roger Manwood's School. We appreciate that you will already be aware of the majority of the matters contained in this report through earlier discussions you will have had with the audit team, but we hope that you will find this report a useful summary of those discussions.

In June 2018 Lord Agnew, Parliamentary Under-Secretary of State for the School System, said the following in respect of audit management letters:

"...are extremely useful tools for a board. We would like to see recommendations made by auditors being implemented in a timely manner with scrutiny at board level to ensure that this is the case."

Management letters provide helpful information your board can use to ensure your academy trust is properly governed and managed.

We would like to take this opportunity to thank Paula Bunnell and the rest of your accounts team for the assistance they have provided to us during the course of our audit.

Our audit has given us a unique opportunity to understand your activities and processes. We have used this opportunity to provide you a service that is of real positive benefit to you.

During the course of our audit work this year we have performed the following tasks which we hope that you will have found to have been of benefit.

- We have assisted you with the preparation of the academy trust's financial statements and the trustees' annual report, ensuring that they comply with all statutory requirements and with accounting standards, including the Statement of Recommended Practice *Accounting and Reporting by Charities* and the annual Accounts Direction.
- In order to be able to assist you with the preparation of the Academy Trust's financial statements we have highlighted to you, misstatements in the accounting records discovered by our audit work, and worked with you to ensure that where material these have been corrected. Further information related to misstatements discovered during our audit are set out in Section 5 of this report and supporting Appendix II.
- As part of our audit we have reviewed the financial reporting framework under which the Academy Trust prepares its financial statements. As part of this review we have ensured that the Academy Trust is complying with Generally Accepted Accounting Practice, including the Statement of Recommended Practice *Accounting and Reporting by Charities* and the Accounts Direction 2020 to 2021 (including the July 2021 supplementary bulletin) issued by the Education and Skills Funding Agency.
- Following completion of the audit we will work with you to ensure that the Academy Trust's Academies Accounts Return (AAR) is completed accurately and filed with the Education and Skills Funding Agency within the required deadline.

Sir Roger Manwood's School



Key Audit Findings For the year ended 31 August 2021

- We have advised you of planned changes in legislation that may be of relevance to you in order that you may prepare for their implementation. These are detailed at Section 7 of this report.
- We have reviewed the Academy Trust's systems of accounting and internal control systems and made recommendations where these can be improved. These are detailed at Section 6 of this report.
- We have considered the Academy Trust's governance and compliance with elements of company and charity law.
- We have considered whether the Academy Trust's activities could result in any liability to taxation. For further details see Section 4 of this report.

Should you have any questions regarding any of the issues raised in this report please contact Peter Manser as the partner responsible for the audit of the Academy Trust, or any other member of the audit team, who will be happy to provide further explanations as required.

Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

December 2021

**Key Audit Findings
For the year ended 31 August 2021**

2. Audit and Assurance reports

Audit report format

We would like to advise you that this year, our audit report will be required to reflect recent changes to International Standards on Auditing that have come into force.

Going concern

Our reporting on the use of the going concern basis of accounting will reflect the enhanced procedures which we are now required to perform on every audit, regardless of whether the entity is in financial difficulty. As your auditor, we must carry out a process of independent testing and examination on the entity's assessment of its prospects and form our conclusion based on sufficient and appropriate audit evidence.

We previously reported by exception as to whether the trustees' use of the going concern basis of accounting was appropriate and whether appropriate disclosures were made. Now, our report will include a conclusion that we have not identified, either individually or collectively, any events or conditions that result in a material uncertainty that may cast doubt over the entity's ability to continue as a going concern and that the trustees' use of the going concern basis of accounting is appropriate.

In effect, our report will provide positive confirmation that we agree with the use of the going concern basis of accounting in the preparation of the financial statements.

Irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. As part of our audit, we design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud.

Our audit report must now explain to what extent our audit was considered capable of detecting these irregularities, notwithstanding our past experience of the honesty and integrity of the entity's management and of those charged with governance. Whilst this was previously only a reporting requirement for public interest entities, this has now been extended to all audit reports.

Regularity

In accordance with the Accounts Direction 2020 to 2021 we are required to report to you and the Education and Skills Funding Agency on Regularity.

The nature of this report is one of providing only limited assurance, i.e. to confirm that nothing has come to our attention to suggest that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Key Audit Findings
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We have not undertaken significant specific additional procedures purely for the purposes of our report on Regularity. However, throughout our audit we have been aware of the requirement to issue this report and have included a consideration of Regularity as part of the audit procedures we have performed. In doing so we have not become aware of any material instances of non-compliance with the principles of regularity, and we expect this to form the basis of the conclusion of our report on Regularity.

There is speculation that in future accounting periods a higher level of assurance will be required to be given in respect of Regularity. This will inevitably require additional procedures to be undertaken to comply with this requirement, with cost implications. We will discuss this further with you once the position for future periods is made clear.

3. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of greatest significance in our audit of the financial statements. These include the significant risks of potential material misstatement that we identified during our planning of the audit and had the greatest impact on our overall audit strategy, which we advised you of in the Audit Plan issued to you prior to the commencement of our work.

We can now report to you how our audit addressed these areas of significant risk and the conclusions we formed.

- **Recognition and completeness of income**

Under ISA 240 there is a presumption that revenue recognition is a fraud risk.

Our work in this area included:

- Updating our understanding of the internal control environment in operation for significant income streams and undertaking a walk-through to ensure that the key controls within these systems were operating in the period under review;
- Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at year end;
- This included a review of a sample of grant terms to ensure correct recognition in the financial statements in line with the criteria set out in the Accounts Direction and Charity SORP 2019; and
- A review of post year end receipts to ensure completeness of income recorded in the accounting period.

Our testing did not bring anything to our attention to suggest that income was materially misstated and therefore income appears to be recognised correctly and completely.

- **Management override of controls**

Under International Standard on Auditing (UK and Ireland) 240 "The Auditor's responsibility to consider fraud in an audit of financial statements" ('ISA 240'), there is a presumed significant risk of management override of the system of internal controls.

**Key Audit Findings
For the year ended 31 August 2021**

We are not responsible for preventing fraud or corruption - the primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity.

They are responsible for establishing a sound system of internal control designed to support the achievement policies, aims and objectives and to manage the risks facing the organisation; this includes the risk of fraud.

Our audit is designed to provide reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

We considered the potential for the manipulation of financial results through the use of manual journals and estimates to be a significant fraud risk.

Our work in this area included:

- A review of manual journals processed during the period under review and in the preparation of the financial statements to determine whether these were appropriate.
- A review of key estimates, judgements and assumptions within the financial statements for evidence of management bias, and agreement to appropriate supporting documentation.
- An assessment of whether the financial results and accounting records include any significant or unusual transactions where the economic substance is not clear

Our review of journals and assessment of accounting estimates, judgements and assumptions did not indicate that any management override of controls took place during the year.

• **Related party transactions**

International Standard on Auditing (UK and Ireland) 550 Related Parties requires us as auditors to conclude whether:

- there is sufficient audit evidence in respect of related party transactions and arrangements;
- all related parties have been identified to ensure that all material related party transactions and arrangements have been disclosed in the financial statements;
- sufficient appropriate audit evidence has been obtained such that the risk of a material misstatement is reduced to an acceptably low level in respect of related parties; and
- there is a fair presentation of related party transactions and arrangements in the financial statements which is not misleading.

The Trust is required to maintain a register of interests and hospitality for Trustees, Local Governing Boards, the Accounting Officer and the Senior Leadership Team.

We reviewed the systems of control around related party relationships and transactions which includes maintaining a register of business interests and cross checking the companies listed to supplier lists.

**Key Audit Findings
For the year ended 31 August 2021**

We considered if the disclosures in the financial statements concerning related party transactions are complete and adequate and in line with the requirements of Charities SORP (FRS 102) and Academies Financial Handbook 2019.

We reviewed the declaration of interest forms and register of interest for all Trustees and Key Management Personnel.

We inspected the following for indications of the existence of related party relationships or transactions that management has not previously identified:

- Bank and legal confirmations obtained as part of our audit procedures;
- Minutes of meetings of those charged with governance

We did not find instances of any unidentified related party transactions.

• **Accounting estimates**

Risk of material misstatement due to incorrect recording of the defined benefit pension scheme deficit (LGPS) and Trust's land and buildings which are significant balances on the balance sheet.

Our work in this area included:

- The reports prepared by the defined benefit pension scheme Actuary were obtained.
- We have reviewed the treatment of the liabilities arising and the disclosures in the Financial Statements with no issues arising.
- We have reviewed the assumptions used by the actuary in calculating the pension scheme deficit.
- The trust's property valuations prepared by appropriately qualified experts were obtained
- We have reviewed the valuation basis used by the expert in valuing the trust's properties

Accounting estimates appear to be reasonable and valuations in line with our expectations.

• **Regularity and compliance with managing public money**

An additional report is included in the financial statements for the regularity of transactions in the year.

We have completed our work in respect of our regularity report which included testing a sample of expenditure to supporting documentation and ensuring that the appropriate procedures have been followed and documented. We also reviewed your governance arrangements to ensure compliance with those listed in the Academies Financial Handbook and Accounts Direction.

We did not find any instances of the misuse of public money therefore, the Academy appears to be in line with regulatory requirements surrounding the use of public money.

**Key Audit Findings
For the year ended 31 August 2021**

- **Consideration of laws and regulations and other information**

ISAs 250A and 720 require auditors to have due consideration of laws and regulations and other information in the financial statements, this includes the impact of any “showstoppers”.

Our work in this area included:

- Consideration of the latest Ofsted inspection reports and their impact on the trust's going concern status
- Reviews of Trust Board and relevant Committee minutes for evidence of any issues of non-compliance
- A review of legal and professional fees incurred in the year to check for any non-compliance
- Consideration of compliance with the Academies Financial Handbook 2020, Trust's funding agreement and its governing documents
- Discussions with management and the Trust Board to ascertain if any actual or possible instance of non-compliance

An additional report is included in the financial statements for the regularity of transactions in the year.

We have completed our work in respect of our regularity report which included testing a sample of expenditure to supporting documentation and ensuring that the appropriate procedures have been followed and documented. We also reviewed your governance arrangements to ensure compliance with those listed in the Academies Financial Handbook and Accounts Direction.

4. Taxation

As part of our audit we have considered the academy trust's exposure to taxation based upon the activities it undertakes and its various sources of income. We have concluded that the academy trust has no corporation tax liability for the year.

5. Misstatements encountered during the audit

We are required to inform you of any misstatements within the financial statements presented for audit that have been discovered during the course of our audit. A number of such misstatements were discovered and following discussions with you and your staff the financial statements have been adjusted accordingly.

Misstatements adjusted for include the following:

- Recognition of depreciation charge for the year
- Recognition of additions in the year.

A full summary of adjustments made to the academy trust's results during the course of the audit, including a reconciliation between your management information and the financial statements, can be found within Appendix II.

**Key Audit Findings
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You should review these adjustments in order to satisfy yourselves that they have been properly made. Confirmation that you have done so should be communicated to us within the letter of representation. This does not include any misstatements discovered during the course of the audit which we consider to be trivial in nature.

6. The accounting and internal control systems

We can confirm that we have found the academy trust's accounting and internal control systems to be appropriate to the academy trust's needs based upon the nature and complexity of your activities and the need for any systems to be cost effective. No matters have come to our attention during our audit to suggest that any serious error has arisen with these systems during the accounting period under review. Thus, we believe that the systems can be relied upon to produce financial statements that show a true and fair view.

We have made one suggestion regarding the accounting and internal control systems as explained in Appendix III.

Please note that the purpose of the audit was to enable us to express an opinion on the financial statements. Our audit did include consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in such circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. The matters being reported to you are limited to those deficiencies that we have identified during our audit, which was conducted on a test basis, and that we have concluded are of sufficient importance to merit being reported to you, but this does not represent a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

7. Qualitative aspects of the academy trust's accounting practices and financial reporting

As part of our audit we have considered and reviewed the academy trust's accounting policies with UK Generally Accepted Accounting Practice, including the Statement of Recommended Practice *Accounting and Reporting by Charities* ("the SORP") and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency. We have not encountered any material departures. In our opinion the accounting policies are appropriate to the circumstances of the academy trust.

Future accounting changes

The academy trust's accounts are prepared in accordance with FRS102. This standard is due to be updated and revised every three years in order to ensure that reflects any legal changes and developments in accounting practice that have taken place.

**Key Audit Findings
For the year ended 31 August 2021**

The Standard at this stage has not been updated for recent changes to International Financial Reporting Standards (IFRS), and in particular, the following major new standards that have recently been implemented:

- IFRS9 *Financial instruments*
- IFRS15 *Revenue from contracts with customers*
- IFRS16 *Leases*

Although the long-term aim is to keep FRS102 as closely aligned to IFRS as possible, the FRC has stated that further consideration is required of the changes that may be required, and that this work will not begin until these standards have been fully implemented by IFRS reporters and insight can be gained from their implementation experience. It is therefore unlikely that any changes will be made to FRS102 in respect of these issues that will impact on your reporting for the foreseeable future.

For more information on these future changes please do not hesitate to contact your usual Kreston Reeves adviser.

8. Review of prior year issues

A number of significant issues were reported to you following our audit last year on your financial statements for the year ended 31 August 2020. As part of our audit this year we have reviewed these matters to determine what progress has been made with them and whether they continue to be matters of significance. We are very pleased to report that all prior year issues were seen to be resolved.

	Nature of problem	2021 follow up	Resolved/Progress made/Outstanding
Low Risk	Depreciation was recognised on land which is not in line with the accounting practice.	Upon review of the fixed asset register and the trial balance, it was seen no charge was recognised for land.	Resolved
Low Risk	Segmental reporting of fixed assets where land and buildings assets should be split where substantially different and depreciated separately.	The fixed asset register was reviewed and discussed during the audit. Suitable assets were identified and the depreciation has been adjusted accordingly.	Resolved
Low Risk	Year-end process to incorporate adjustments to release deferred/accrued income and expenditure.	Evidence was seen that the academy trusts year end processes now include consideration of releasing income and expenditure that relate to the financial period.	Resolved

**Key Audit Findings
For the year ended 31 August 2021**

9. Other matters relevant to the audit

Academy Trust Handbook 2021

The ESFA have now renamed the Academies Financial Handbook. So its “Goodbye Academies Financial Handbook”....and “Hello to the Academy Trust Handbook”! A subtle change but a significant one to help reflect the content of the guide more accurately.

The Handbook will replace the 2020 version of the Academies Financial Handbook with effect from 1 September 2021. Therefore, the Trust should be implementing the changes already.

The key changes were as follows:

1) Parent Trustees

The debate regarding parent trustees has been around for some time. There are some trusts (mainly multi-academy trusts) which tend to not have any parental representation on the trust board. There are pros and cons to this depending how you see it. In addition, the trust's Articles of Association will clearly define what the rules are regarding this. The Handbook now recommends that places are reserved for parents by emphasising “should” in the guide.

So, for single-academy trusts, they should have at least two places for parents on the trust board. For multi-academy trusts they should follow the same rule or have two places on each local governing body (where established).

2) Accounting Officers

From 1 March 2022 any newly appointed accounting officer can only be a trustee if the members decide to appoint them as such, the accounting officer agrees and the trust's Articles permit this. The Department has a strong preference that no employees serve as trustees – this is also widely shared by many governance organisations such as the NGA.

Therefore, if your trust appoints a new accounting officer post 1 March 2022, ensure the Articles are reviewed and the Members are involved in any appointment process. This should be clearly minuted.

In addition, when an accounting officer departs a trust, the board should approach their Regional Schools Commissioner (RSC) in advance to discuss options and structures for the recruitment process. It is likely that this forms part of the ESFA's wider remit to reduce the number of trusts which exist and therefore if your plans are not accepted you may see some pressure to join another trust.

3) External governance reviews

Governance reviews are clearly an area the ESFA feel need to be improved. The ESFA now stress that an external review is more powerful than self-evaluation especially in times of change e.g. growth or concerns. The handbook indicates a strong preference to this.

**Key Audit Findings
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4) Scheme of Delegation reviews

The Handbook now specifies that this should be annually reviewed or immediately when there has been a change in trust management or organisational structure.

It is likely that the Scheme of Delegation does tend to be forgotten when these changes take place due to the focus being on implementing the changes, so this is a timely reminder.

5) Internal Scrutiny and Cybercrime

Cybercrime is a hot topic in the sector right now with schools experiencing many attacks since the pandemic started. This has even resulted in schools having to close! The handbook introduces some guidance on this topic and this is certainly an area which the audit and risk committee should be considering as part of their risk registers and internal scrutiny arrangements.

As a result, trusts **must** now be aware of the risk of cybercrime and put in place proportionate controls and take appropriate action where a cyber security incident has occurred.

For example, trusts should be considering some of the following:

- Does the trust use firewalls, anti-virus software and passwords?
- Is data routinely backed up and held off-site?
- Are staff aware of the types of attacks they could be targeted with? Does the trust need to provide training?
- Are policies on working from home arrangements up to date?

In addition, trusts **must** obtain permission from ESFA to pay any cyber ransom demands.

6) Severance payments

Prior approval from the ESFA **must** be obtained before making a staff severance payment where:

- an exit package which includes a special severance payment is at, or above, £100,000; and/or
- the employee earns over £150,000

Academies chart of accounts

The ESFA have recently updated the Academies chart of accounts for the 2021-22 reporting season. These reflect a small number of updates from the following year.

The ESFA is also continuing to encourage academy trusts to adopt the chart of accounts and use this alongside the application programme interface (API) tool which will enable online forms, such as the budget forecast and accounts return, to be approximately 65% pre-populated. This will help reduce time spent inputting data by trust finance officers and enable trusts to be ready to take advantage of future developments.

Trusts should talk to their accounting software supplier about any implications of adopting the chart of accounts and integrating the API.

**Key Audit Findings
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Virtual member meetings and model Articles

The ESFA have recently updated the model Articles for academy trusts which reflect many of the recent changes that have been introduced in the Academies Financial Handbook and Academy Trust Handbook in recent years.

The previous model Articles have allowed for trustees to participate in meetings virtually using telephone or video conference. However, there is no reciprocal power under the previous model Articles for member meetings to be held virtually (effectively your trust's Annual General Meeting). Hence the need for the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the Relevant Period) Regulations 2020 (SI 2020/1031) which came into force at the height of the pandemic and subsequently, has expired.

The new model Articles now include express provision for virtual member meetings at Articles 23A and 23B.

Therefore, trusts that have not adopted the latest model Articles are not allowed to hold virtual member meetings following the expiration of the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the Relevant Period) Regulations 2020 (SI 2020/1031).

**Key Audit Findings
For the year ended 31 August 2021**

Appendix I – Other matters required by International Standards on Auditing to be communicated to you

Audit report – further information

Our audit report contains details of the scope of the audit of the financial statements conducted in accordance with legislative requirements and International Standards on Auditing. Further information on the scope of the audit is set out on the website of the Financial Reporting Council and can be found using the following link:

<https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

The original audit report will be signed by Peter Manser, being the Senior Statutory Auditor for this assignment, for and on behalf of Kreston Reeves LLP. The financial statements incorporating the original audit report should be retained with the academy trust's other permanent documents. Copies of the financial statements that require a signed audit report, including for filing with Companies House and the Education and Skills Funding Agency, will be signed as Kreston Reeves LLP as the statutory auditor.

Our audit report has been drafted in accordance with International Standards on Auditing and the latest guidance from the Financial Reporting Council and our Institute. This involves the inclusion of a paragraph which clarifies what our responsibilities as auditors are. It does not affect our responsibilities to the academy trust or yourselves, nor does it mean we would be unwilling to accept responsibility to any third parties, providing that our specific agreement to do so is obtained beforehand.

Independence

We can confirm that we have re-evaluated our firm's independence in connection with the audit and can confirm that we are not aware of any factors affecting our independence or objectivity and thus our ability to continue to act as auditor of the academy trust.

Letters of representation

Before we can complete our audit we require from you a letter of representation on your headed notepaper. A draft version of such a letter accompanies this Memorandum. The letter will provide us with additional evidence in areas where we have relied upon representations from staff members during the audit. We suggest that this letter is signed by a representative member of the Board of Trustees and that you make your own enquiries of staff to verify that you support the representations that have been made.

In addition, we also require a letter of representation from the Principal of the academy trust in their role as Accounting Officer in support of our report on Regularity. Again, a draft of this letter accompanies this Memorandum and we would suggest that they undertake whatever enquiries and procedures they consider necessary to be able to make these representations to us.

Sir Roger Manwood's School



**Key Audit Findings
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Liability

This report has been drafted solely to report to you as trustees matters in relation to our audit. It has not been drafted with any third parties in mind and thus must not be disclosed to a third party, or quoted or referred to, without our written consent except where you are required to do so by statute. We do not accept responsibility to any third party in respect of our audit, the audit and assurance reports we have issued, or this report.

**Key Audit Findings
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Appendix II - Summary of adjusted misstatements

	Debit £	Credit £	Impact on results £
Net incoming resources as per draft financial results			(183,786)
F/Hold property - depn charge		368,465	
M V's-depn charge		1,608	
F & fittings-depn charge		13,575	
Office equip-depn charge		9,585	
Computer equipment-depn charge		17,480	
Land & Buildings Depreciation	368,465		
Furniture & Equipment Depreciation	23,160		
Motor Vehicles Depreciation	1,608		
IT Equipment Depreciation	17,480		
<i>Adjustment to post depreciation as instructed by client and to reflect changes in accounting estimate</i>			(410,713)
Computer equipment-additions	12,187		
Donations & Gifted Assets		12,187	
<i>Adjustment to recognise donated assets from the DFE</i>			12,187
F/Hold property - additions	78,468		
Computer equipment-additions	9,816		
Building Maintenance		15,900	
Grounds Maintenance		2,390	
Building Projects		60,178	
IT Hardware - Educational		4,565	
IT Licenses - Educational		1,267	
Catering Equipment		1,237	
IT Equipment - Non Educational		2,747	
<i>Adjustment to recognising additions as per clients request</i>			88,284
Motor vehicles-disposals		18,750	
M V's-depn on disposals	18,750		
F & Fittings-disposals		4,090	
F & Fittings- Depn Disposals	2,454		
Write Offs	1,636		
<i>Adjustment to recognise disposals of fixtures and fittings</i>			(1,636)
LGPS - current service cost	69,000		
LGPS - net interest cost		39,000	
LGPS - interest cost BS		69,000	
LGPS - interest cost BS	39,000		
LGPS - current service cost P&L	295,000		
LGPS - current service cost BS		295,000	
LGPS - employer contribution BS	120,000		
LGPS - employer contributions P&L		120,000	
LGPS - Return on plan assets	311,000		
LGPS - Actuarial gain/loss		507,000	
LGPS - Return on plan assets OCI		311,000	
LGPS - Actuarial gain/loss	507,000		
LGPS - admin expenses	2,000		
LGPS - admin expenses BS		2,000	
LGPS - experience loss/(gain) BS	84,000		
LGPS - experience loss/(gain) OCI		84,000	
<i>Accounts adjustment to recognise actuarial gain/loss for the period</i>			(207,000)
Net movement in funds as per revised financial statements			<u>(702,664)</u>

**Key Audit Findings
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Appendix III – Summary of recommendations regarding the accounting and internal control system

In order to assist management in using this report, we categorise our recommendations according to their level of importance:

High risk Issues where there is a risk of significant financial impact on the trust that must be addressed immediately by the academy trust

Medium risk Issues where there is a risk of moderate financial impact on the trust, such as a control failure or the absence of a control in an area of moderate risk. These should be addressed soon.

Low risk Issues that relate to minor control deficiencies or enhancements in control efficiency. These should be addressed within an agreed timescale.

1) Issues around Tangible Fixed Assets

Nature of problem

There was no evidence of depreciation or donated assets being recognised or considered in the management accounts throughout the year. In line with section 2.7 of the Academy Financial Handbook for 2020, the Academy Trust do maintain their own fixed asset register, and manage and oversee assets. However, this should also be included within the format of monthly management accounts as set out by section 2.21. Additions and depreciation are currently being recognised at the year end.

Potential consequences

When posting depreciation as year-end adjustment it has a huge impact on reserves which the governors are not able to see a true picture of the net assets until the audit has been finalised. The financial statements then tell a different picture to the management accounts seen throughout the year.

It was also brought to our attention that the donated laptops were not recognised as assets in the financial statements. As a consequence, this resulted in an understatement in your tangible fixed assets, with a journal being recognised to correct this.

Recommendation for corrective action

We recommend that a regular review is carried out on tangible fixed assets as per the guidance from the Academies Financial Handbook.

Sir Roger Manwood's School



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Response from Board of Trustees

The School will ensure the Fixed Asset register is updated on a monthly basis from January 2022 and this will be followed up with a monthly depreciation journal being posted to the accounts.

Planned date for corrective action

January 2022.



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