



bright grahame murray

CHARTERED ACCOUNTANTS

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Brentside Primary Academy  
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Our ref: 22/ME/CP/1124/id65654

Your ref:

Date: 4 December 2017

Dear Sirs

**Report to Management**

During the course of our audit and regularity assurance engagements for the year ended 31 August 2017 a number of matters arose which we consider should be brought to your attention.

Accompanying this letter is a memorandum noting these points together with any recommendations we have for possible improvements which could be made.

These matters came to light during the course of our normal audit and assurance tests which are designed to assist us in forming our opinion on the financial statements and providing a limited assurance conclusion on regularity. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit and assurance tests, we would, of course, inform you immediately.

This report has been prepared for the sole use of the trustees of Brentside Primary Academy. We understand that you are required to provide a copy of this report to the Education Funding Agency. 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 Bright Grahame Murray towards any party acting or refraining from action as a result of this report.

We would be grateful if you could enter the academy's comments against each point under the "management response" column of the memorandum and return it to us in due course.

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

Yours faithfully



## **SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT AND REGULARITY ASSURANCE ENGAGEMENTS FOR THE YEAR ENDED 31 AUGUST 2016**

### **Audit approach**

Our general audit approach was determined by our assessment of the audit risk, both in terms of the potential misstatement in the financial statements and of the control environment in which the company operates.

To summarise our approach, we:

- updated our understanding of the business and its environment;
- reviewed the design and implementation of key internal financial control systems; and
- planned and performed an audit with professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated.

Significant risks arise on most audits and are often derived from business risks that may result in a material misstatement, relate to unusual transactions that occur infrequently, or judgemental matters where measurement is uncertain. In areas where we identified the potential for significant risk, we extended our audit testing to include more detailed substantive work. Our work in other areas was proportionally less.

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements. In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in the light of surrounding circumstances, and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both.

There were no changes to our audit approach.

### **Summary of significant audit findings**

<b>Significant risk area identified at planning</b>	<b>Findings, significance and recommendations</b>	<b>Management response/ timetable for action</b>
No significant findings were identified.		



	Other areas where issues were identified during the audit	Potential implications and recommendations	Management response / timetable for action
1.	It was noted that the Fixed Asset excel schedule was not in line with the Fixed Asset Register maintained by FMS due to the deprecation formulas not being properly updated and some cost figures missing.	Going forward please ensure that the formulas for depreciation are correctly rolled forward each year and that all cost figures entered agree to the purchase invoice and the amount posted to FMS.	BPA will ensure that the excel schedule agrees with the nominal ledger in the future.
2.	The Universal Infant Free School Meals (UIFSM) grant received should be shown gross in the accounts not net off against the school meals expense. It is our understanding that this grant is received in arrears so both the grant and the expense related to the year should be accrued.	Going forward all UIFSM income received should be posted to the separate income nominal code on FMS. Post year end invoices and grant correspondence should be reviewed to determine the correct amounts to be accrued.	This has been actioned. A new ledger code has been created for the start of the financial year 17-18.

### Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses. No significant internal control deficiencies were identified during the audit.

### Summary of audit differences and draft letter of representation

You have agreed to adjust the financial statements for all the unadjusted misstatements noted during the course of the audit.

We have also attached a draft letter of management representations required in connection with our audit.

### Outstanding matters

Prior to issuing our audit report we require:

- the signed letter of representation;



### **Anticipated audit report**

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

### **Regularity assurance engagement findings**

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

- Ensured that grants have been applied for the purposes intended.
- Reviewed expenditure (including cash and credit card expenditure) and
- Considered whether any supplies are from related parties.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Reviewed minutes of Board of Governors meetings for declaration of business interests.
- Reviewed and considered the reports compiled by the Responsible Officer on the trust's internal controls and procedures pertaining to regularity

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

Regularity issues brought to your attention in connection with the regularity assurance engagement are as follows:

<b>Findings and significance</b>	<b>Potential implications / financial impact and recommendations</b>	<b>Management response / timetable for action</b>
No significant findings were identified		