

7. Management letter points and internal control systems

The Trust's management is responsible for the identification, assessment and monitoring of risk, for developing, operating and monitoring the systems of internal control and for providing assurance to the Board that it has done so.

In accordance with the terms of our engagement we have not provided a comprehensive statement of all issues which may exist in the accounting and internal control systems or of all improvements which may be made, but outline below our observations arising from the audit, none of which are considered significant.

We would be pleased to discuss further work in this regard with the Board.

KEY:



Financial - Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements.

Governance – Observations that are fundamental to good governance and should be addressed immediately to minimise the risk of governance failings.



Financial - Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.

Governance – Observations that are important to good governance and should be addressed to minimise the risk of governance failings and to help improve procedures.



Financial - Observations refer to issues that would, if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements.

Governance – Observations that if addressed would help to improve and embed good governance practices but is unlikely to lead directly on its own to governance failings.






Observations made in the previous year have been resolved.

Summary of progress against points raised. This will make uploading to the ESFA at the end easier as they need the numbers

Risk Rating	2020
	-
	1
	3
	0

Current Year Issues

Fixed Asset Register	
	
<p>It was noted during our testing of fixed assets, the fixed asset register did not agree to the trial balance nor did the opening balances on the fixed asset register agree with the prior year signed accounts. This has resulted in unadjusting entries being raised (see above).</p>	<p><u>Recommendation</u></p> <p>We recommend as part of month end procedures, the fixed asset register is updated and reconciled to the trial balance. As part of this process, additions and depreciation should also be posted.</p> <p><u>Management comment</u></p> <p>As part of the month end process additions, disposals and depreciation are posted to the accounts.</p> <p>The fixed asset register will also be reconciled as part of the month end processes.</p>
Supporting documents not retained:	
	
<p>When testing the credit card, it was noted that there were two instances where credit card receipts had not been retained at St Georges First School:</p> <p>ASDA - £44.32</p> <p>Pets at home - £99</p>	<p><u>Recommendation</u></p> <p>We recommend supporting documentation is maintained for all transaction, as evidence the expenditure is for a bona-fide and necessary purpose.</p> <p><u>Management comment</u></p> <p>Support documents will be retained for all charge card transactions.</p>
Old unreconciled items on bank	
	
<p>It was noted during our testing of the bank, that there were old unreconciled items of £364.53 on the CCA bank account.</p>	<p><u>Recommendation</u></p> <p>We recommend that old balances are addressed to ensure they do not continue to show as outstanding items on the bank reconciliation.</p> <p><u>Management comment</u></p> <p>The old items on the bank have been reconciled in the finance system and no longer show as a difference.</p>

Difference in depreciation charge between Balance Sheet & SOFA



During testing it was noted that there was a £1,947 in the depreciation charge between the Balance Sheet & the SOFA.

Recommendation

We recommend that additional controls are implemented to ensure the depreciation charge between the Balance Sheet & SOFA is reconciled.

Management comment

The charge between the Balance Sheet & SOFA will be reconciled as part of the month end processes.