

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.

Risk Rating	2021	2020
	-	-
	1	1
	1	1
	n/a	4

Internal financial controls



Our review of the Trust's system of internal control is carried out to assist us in expressing an opinion on the financial statements of the Academy as a whole. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities (other than those which would influence us in forming that opinion) and should not therefore be relied upon to show that no other weaknesses exist. Accordingly, we refer only to significant matters which have come to our attention during the course of our normal audit work and do not attempt to indicate all possible improvements which a special review might reveal.

The following table summarises our significant control observations together with any recommendations we have for possible improvements which could be made.

Your comments

We would be grateful if you would enter your comments against each point under the "management response" header of the management letter point section and return it to us in due course. The management letter section of this KIDD letter will be submitted to the ESFA with the Financial Statements.

Current Year Issues

Employment contract not provided	
	
The employment contract was not provided for one employee chosen and so this sample was extended.	<p><u>Recommendation</u></p> <p>We recommend that employment contracts are in place between the trust and all employees.</p> <p><u>Management comment</u></p> <p>All employees are issued with a contract of employment. We will carry out an annual audit to ensure all personnel records are complete.</p>
Resignation letter not obtained	
	
The resignation letter for a leaver during the year was not obtained. The sample was extended.	<p><u>Recommendation</u></p> <p>We recommend that all resignation letters are obtained within the personnel files.</p> <p><u>Management comment</u></p> <p>We will update our process to ensure all resignation letter are place within the employee's personnel file.</p>

Employment contract not signed



The employment contract kept on file was not signed by the employee.

Recommendation

We recommend that employment contracts are signed by employees prior to the start date.

Management comment

We will update our process to ensure all contracts are signed by the employee

Purchase request form did not match purchase order



The purchase request form used for the walkthrough test did not have the most up to date prices on and so didn't match the purchase order or invoice.

Recommendation

We recommend that purchase request forms are updated for the actual prices prior to ordering the goods.

Management comment

A check will be made to confirm the costs on the requisition form. If the information is incorrect, the form will be returned to the budget holder to amend before the order is placed.

Prior year issues – resolved


Fixed Asset Register




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 unadjusted entry being raised (see above).

Not an issue during 2021


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>Not an issue during 2021</u></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>Not an issue during 2021</u></p>

Difference in depreciation charge between Balance Sheet & SOFA

	
<p>During testing it was noted that there was a £1,947 in the depreciation charge between the Balance Sheet & the SOFA.</p>	<p><u>Not an issue during 2021</u></p>



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