



**williams giles**  
Chartered Accountants  
A Xeinadin Company

# Christ Church Church of England Primary Academy, Folkestone

**Final Audit Findings**

**For the year ended 31 August 2021**

**Office & Registered Office:**

12 Conqueror Court, Sittingbourne, Kent. ME10 5BH

Williams Giles is the trading name of Williams Giles Professional Services  
Ltd a company registered in England and Wales Co. No. 11411023.

A list of company directors can be found at the above address.

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## 1. Introduction

During the course of our audit and regularity assurance engagements for the year ended 31 August 2021 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.

We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you in our Audit Planning Memorandum, 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.

This report has been prepared for the sole use of the trustees of Christ Church Church of England Primary Academy Folkestone. 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 Education 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 Williams Giles Professional Services Ltd towards any party acting or refraining from action as a result of this report.

We would be grateful if you could enter the academy trust'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

**Williams Giles Professional Services Ltd**  
Statutory Auditor  
Chartered Accountants  
**December 2021**

## 2. 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 entity 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 as previously communicated to you in our Audit Planning Memorandum.



### 3. Summary of significant audit findings

Significant risk area identified at planning	Findings, significance and recommendations	Management response / timetable for action
Revenue Recognition	No such issues identified	
Regularity Assurance	No such issues identified	
Management Override	No such issues identified	
Cut Off	<p>Green – During our testing it was identified that Pupil Premium had been deferred into the following financial year.</p> <p>Pupil Premium is received quarterly in arrears and as a result should be accrued at year end, specifically it is 2 months of the October Pupil Premium receipt which needs to be accrued for.</p> <p>We recommend that the Pupil Premium is accrued for and a check made against the ESFA allocation tables to ensure that the amount included in income is in agreement.</p> <p>Green – During our testing it was identified that the UIFSM deferral was not in line with the allocation table amount received for the 21/22 year.</p> <p>We recommend that the deferral follows the amount listed on the allocation table as the provisional payment for the following year.</p>	<p>These errors were found when I asked for my accruals and deferred income journals to be checked. The corrections were done immediately following accountant advice</p>
Interschool Transactions	No such issues identified	
Accounting Estimates	No such issues identified	



Other areas where issues were identified during the audit	Findings, significance and recommendations	Management response / timetable for action
VAT	<p>Green – During our testing it was identified that the September 2020 VAT had been claimed twice in error.</p> <p>We recommend that HMRC are contacted, and the money is refunded or deducted from the next VAT126 claim.</p> <p>Green – During our testing of VAT balances, we identified that there is a historic difference of £417.14.</p> <p>We recommend that this is written off to the SoFA and the VAT account is reconciled to the VAT126 claims monthly.</p>	<p>Letter written to HMRC while the Auditor was still on site but no reply has been received to date. A full transaction list is sent with each claim so HMRC had all the information of both claims showing that the error had been made and still paid out the full amount on the second claim</p> <p>We shall follow the accountant’s advice on this matter</p>
Trade Creditors	<p>Green – During our testing it was identified that a journal had been posted to trade creditors for a number of invoices, however, most of these invoices were included in the accounts already as they were dated within the year and were correctly posted to Xero.</p> <p>We recommend a check of the invoices is undertaken before posting year end adjustments to ensure these have not already been included.</p>	<p>This will be checked more rigorously for this year, that if anything is recorded on Xero, in drafts, or orders but hasn’t been paid, it will not be included in trade creditors</p>



<p>Fixed Assets</p>	<p>Green – During our testing it was identified that a number of purchases of fixed asset additions were included within repairs and maintenance expenditure.</p> <p>We recommend that all purchases meeting the definition of a fixed asset and over the capitalisation limit are posted to the fixed asset additions codes.</p>	<p>This was due to selecting the incorrect code from the many provided on the Chart of Accounts and will be rectified moving forward</p>
<p>Depreciation</p>	<p>Green – During testing it was found that depreciation charges for the year had not been posted.</p> <p>We recommend that depreciation is charged monthly or annually prior to the TB being provided for audit.</p>	<p>I have spoken to one of the accountants and was advised that previously these postings had been carried out by the accountant. In future there will be a process in place for us to post depreciation</p>

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 and the matters reported below are limited to those deficiencies that we have identified during the audit.



<b>Control weakness identified and significance</b>	<b>Potential implications and recommendations</b>	<b>Management response / timetable for action</b>
Purchase Orders	<p>Green – It was found that purchase orders are not consistently being used (expenditure and credit card transactions).</p> <p>We recommend that purchase orders are consistently used.</p>	<p>This will be rectified, Approval max was not functioning for part of the year, September 2020 to October 2020, December for one week, and July 2021</p> <p>We have a list of pre approved suppliers which Governors have agreed that we do not have to have a purchase order for.</p>

#### **Status of findings / recommendations from previous years**

Audit issues communicated in last year’s audit findings report and our proposed approach to each of these areas, in light of developments in the year are outlined below:

<b>Findings / recommendations</b>	<b>Status in current in year</b>	<b>Management response / timetable for action</b>
Amber – It was found that some related party transactions had not been disclosed to the ESFA.	No longer an issue in year.	
GREEN – It was found that two out of the three members are also trustees. It is best practise for members to not assume the role of a trustee.	Remains an issue.	The Chair of Trustees feels that the Board of Trustees will be compromised if the skill sets of the Members are removed from the Trustees
Amber – It was identified that management accounts have not been presented to the chair each month.	No longer an issue in year.	
GREEN – It was identified that the Board of Trustees did not meet six times during the year.	No longer an issue in year.	
Green – It was found that the RPA expenditure is not being grossed up and the GAG income is therefore understated in the finance system.	No longer an issue in year.	





AMBER – It was found that the credit card assigned to the School Business Manager was being used by the Head Teacher when the SBC was on leave.	No longer an issue in year.	
GREEN – It was identified that the school have not been updating Companies House within 14 days of appointments and vacations.	No longer an issue in year.	
Green – It was found that purchase orders are not consistently being used (expenditure and credit card transactions).	Remains an issue – please see above.	The Finance assistant is working through the system to check that all orders are in place. We have Governor approval for some suppliers to not require an order to be raised.
Green – It was found that invoices are not all being signed as authorised.	No longer an issue in year.	
GREEN – It was confirmed that the ‘Dear Accounting Officer’ letter was not discussed at Board Meeting.	No longer an issue in year.	
Green – It was found that items from 2018 and 2019 are left on the bank reconciliation. It is recommended that this is removed prior to next year’s audit.	No longer an issue in year.	
Green – It was found that one item on the unreconciled bank report, was actually paid prior to the year end.	No longer an issue in year.	

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

Please see Appendix 2 for schedule of all of the unadjusted misstatements noted during our work. We would be grateful if you could review these and confirm that you are satisfied that none of these need to be adjusted for in the financial statements

We have separately sent a draft letter of management representations required in connection with our audit.

#### 5. 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.



## 6. Regularity assurance engagement findings

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The ESFA has no right by virtue of the regularity engagement to place reliance on our work and the opinion we form in respect of our statutory financial statements audit of the academy trust.

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:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

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 issues identified.		