

Registered Office
20 Mannin Way, Lancaster Business Park
Caton Road, Lancaster LA1 3SW
Telephone (01524) 67371
Fax No: (01524) 381266
www.cwr-accountants.co.uk



Your Ref
Our Ref RM/JEB/C256

Directors
Jeff Bellamy BSc FCA
Peter Bracewell BSc FCA
Phillip Dennison FCA
Graham Howse FMAA FRS
Rob Mitchell BSc ACA

The Board of Trustees
St Christopher's High School
Queens Road West
Accrington
BB5 4AY

21st November 2018

Dear Sirs

REPORT TO MANAGEMENT

During the course of our audit and regularity assurance engagements for the year ended 31st August 2018, 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 any threats to our independence 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 Accrington St Christopher's CE High School. We understand that you are required to provide a copy of this report to the Education and Skills 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 CWR Chartered Accountants towards any party acting or refraining from action as a result of this report.

We would be grateful if you could reply to us with the academy trust's comments against each point and return this 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

R Mitchell

Director
Enc.

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT AND REGULARITY ASSURANCE ENGAGEMENTS FOR ACCRINGTON ST CHRISTOPHER'S CE HIGH SCHOOL FOR THE YEAR ENDED 31ST AUGUST 2018

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 academy 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 which can arise on 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 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 made by us to the audit approach we initially planned ahead of completing the audit.

Summary of audit findings

- We note that as at the year end the school has a deficit on its General Annual Grant Funding. We understand the school has discussed this with the ESFA and has agreed a two/three year plan to eradicate the deficit. While we have found no evidence that this hasn't been the case, we emphasise the need for continuous budget monitoring during this recovery period.

Update on prior year's management letter points

Audit issues communicated in last year's management letter and our proposed approach to each of these areas, in light of developments in the current period are outlined below:

- We provided observations respect of the deficit of funds as highlighted above which is ongoing this year.

Letter of representation

We have sent to you a 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; and
- signature of the journals sheet we have posted in preparing the accounts.

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year with an emphasis of matter paragraph highlighting the deficit General Annual Grant position reported in the accounts. This remains 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 2017 to 2018 issued by ESFA. 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:

- Obtaining evidence including those tests relevant to the circumstances of the academy trust as prescribed in Section 9.4 of the Academies Accounts Direction 2017 to 2018 issued by the ESFA in May 2018; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

Anticipated assurance report

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.



ST. CHRISTOPHER'S C.E. HIGH SCHOOL

A Church of England Academy

Headmaster: R.D. Jones

22nd November 2018

Mr R Mitchell
CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster, LA1 3SW

Dear Sirs,

Response to Report to Management

Thank you for your report to management received for the year ending 31st August 2018 including matters that you wished to bring to our attention.

Regarding the summary of audit findings:

We note that you have issued an unmodified audit report for the year with an emphasis of matter paragraph highlighting the deficit General Annual Grant position reported in the accounts and your subsequent comment regarding the school's deficit.

We can confirm that we are in contact with the ESFA and have discussed this in some detail with them and provided a great deal of information as requested. They are fully appraised of the situation and recent correspondence from them suggested that they are confident that we have "everything in order". Obviously we will continue to provide the ESFA with monthly accounts and respond to any further queries that they may have.

As agreed with the ESFA we will work hard to reduce the deficit completely within a three year budget planning cycle as well as providing quality and cost effective education for our pupils. However, we should also express our concerns about the pressure on budgets because of the rising cost of staffing, in particular about the Teachers' Pay Award, the Support Staff Pay Award and the pension increases that are planned for next year. With no information on any structured or planned permanent increase to income to offset these it leaves an element of uncertainty to our predictions that that only time will be able to qualify. Meanwhile, Governors will ensure that the financial position is closely and continuously monitored during this period of recovery.

May we take this opportunity to thank you for the excellent and extremely supportive service you have provided, and continue to provide, to our school.

Yours faithfully,

Mr F Whitehead
Chairman of Governors

Company Registered Address:

St Christopher's CE High School, Queens Road West, Accrington, Lancashire, BB5 4AY

Tel: 01254 232992 Fax: 01254 355215

Email: admin@st-christophers.org

Company Registration Number: 7728029

Website: www.st-christophers.org

VAT Registration Number: 119 9825 74

