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

23rd November 2017

Dear Sirs

REPORT TO MANAGEMENT

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

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


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 2017

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 in the previous period in relation to the level of reserves held by the academy, further comment on this matter has been made this year as shown above.

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 2016 to 2017 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 2016 to 2017 issued by the ESFA in June 2017; 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

Our ref: FW/PHa
12th December 2017

Mr J Bellamy
Colman, Whittaker & Roscow
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 2017 including matters you wish to bring to our attention.

Regarding the summary of audit findings:

- You are of course aware that the school reported a deficit in 2016 – 2017 on its General Annual Grant Funding which in the main relates to the accrual for the voluntary redundancy payments we made to staff in order to make savings on the staffing budget and following a review of staffing in 2016 – 2017. These payments do however bring substantial saving to school. We have reported this to the ESFA and followed this up in writing to assure the ESFA that action has been taken by Governors to specifically ensure the future financial health and efficiency of the academy. You will be forwarded a copy of the letter. We note your comments regarding continuous budget monitoring and I can confirm that this will be carried out by the Business Manager and monitored by Governors.
- We note your comment regarding the continued level of positive reserves and we are working to address this as detailed above.
- The signed letter of representation will accompany this letter.
- The signed journals sheet will accompany this letter.
- We note your comments regarding regularity assurance engagement and the fact that you will issue an unmodified audit report for the year with an emphasis of matter paragraph highlighting the deficit.

We will continue to work hard to reduce the deficit cost of staff efficiencies and will as usual maintain a close scrutiny of expenditure. May we thank you for the excellent and extremely supportive service you have provided, and continue to provide, to our school.

Yours sincerely

Frank Whitehead
Chair of Governors

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