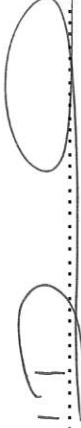




St John Bosco Catholic Academy  
Audit Findings Report  
**Year Ended 31<sup>st</sup> August 2024**

Approved by .....  .....

Date ..... 28.11.24 .....

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*We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing an opinion on financial statements of St John Bosco Catholic Academy.*

*This report has been prepared for the sole use of the management of St John Bosco Catholic Academy and must not be disclosed to any third party, or quoted or referred to, without our written consent. No responsibility is assumed to any other person in respect of this report.*

## 1. Executive Summary

As auditors we are required under the International Standards on Auditing 260(ISA 260) to communicate matters arising from the audit of the financial statements to those charged with governance.

The purpose of this memorandum is to record the overall results of our work and to highlight those matters that came to our attention during the audit.

Financial review	The Academy has made an overall surplus in the year of £1,236,666 compared to a 22/23 surplus of £3,718,604. The 2023 surplus was significantly impacted by a £2,147,000 (23/24: £289,000) actuarial pension gain. If the actuarial gain is removed the net income is £947,666 in 2023/24 compared to £1,571,604 in 22/23. Further discussion of key movements can be seen in section 2.
Key risks and audit approach	The key risks identified at the planning stage and the work conducted have been scheduled out in section 3.
Accounting policies and practices	We have considered the accounting policies to be appropriate for the Academy. Section 4 summarises the main accounting issues we have discussed with management.
Systems and controls	We have noted no fundamental weaknesses in the academy's accounting and financial control systems.
Regularity	Our regularity checklist has been completed by management and responses provided by the MAC verified against supporting documentation. No issues to note.
Audit adjustments	For a detailed review of all adjusted and unadjusted misstatements please see Section 7.
Audit process	<i>Our thanks to staff for their assistance during the audit.</i>
Audit opinion	We propose to issue an unqualified audit report for the year ended 31 August 2024

### Acknowledgements

*We would like to take this opportunity to thank the staff for all the kind assistance provided during the audit.*



## 2. Financial Review

### Annual Performance

	2024	2023
Fixed asset income	£1,209k	£931k
Conversion income (inc. pension)	£-	£29k
Income before capital grants and conversion	£23,082k	£21,398k
Total incoming resources	£24,291k	£22,358k
Total resources expended	£23,344k	£20,786k
Actuarial gain/(loss) on pension	£289k	£2,147k
Net movement in funds	£1,237k	£3,719k
General funds carried forward	£2,985k	£4,335k

The above table outlines the financial performance of the MAC for the last two academic years.

Income generated before capital grants and conversion has increased by £1,608k (7.5%) which is primarily due to an approximate 5% rise in basic entitlement per pupil which resulted in approximately £790k additional funding along with BOS English programme income rising from £564k to £744k. A further £442k was granted by the ESFA in relation to the teachers' pay award for 23/24.

Total expenditure rose by £2,558k compared to 2023 which is due predominantly to staff costs rising by £1,422k through teacher/admin pay awards, increased requirement for supply cover and an overall rise in full time equivalent employee numbers (23).

The remaining key costs relate to £149k increase in gas charges following the end of fixed contracts and change to new providers, delivery of the English hub programme increasing by £135k along with depreciation rising by £466k following completion of significant capital projects in the year.



### 3. Audit approach and audit risk

Our planning letter highlighted the key risks that our audit would focus on and the work we planned to perform to address them. Below is a summary of the key risk, the work performed and our findings.

Risk	Work performed	Conclusion
Income recognition	<p>A detailed review of income has been completed to confirm the accuracy of cut-off.</p> <p>Enquires made to confirm no claw-back provision is required.</p> <p>ESFA income reconciled to remittances and enquiries made to establish whether clawback is necessary.</p>	No issues to noted in 23/24.
Management override	Review conducted for journals, accounting estimates and any unusual items.	No evidence has been noted of management bias or override of internal controls.
Valuation of pension scheme deficit	A review conducted on pension adjustments and accounts disclosures.	A review of the actuarial report has been carried out and the necessary adjustments made to the accounts. There is a £30k difference between the employer contributions in the accounts and the pension report which is considered immaterial.



### 3. Audit approach and audit risk (cont.)

Risk	Work performed	Conclusion
Capital Projects	All transactions relating to capital projects have been reviewed to confirm the relevant accounting treatment has been applied. Expenditure funded by grants has also been reviewed to gain assurance that it is incurred in line with terms and conditions of any grants. Procedures for major capital projects have been reviewed.	Expenditure for capital projects appears to have been legitimately incurred from our review.
Funds	Accounts workings have been reviewed along with fund reconciliations to determine that the accounts presentation is accurate.	The statutory accounts demonstrate the correct allocation of funds required.
Going Concern	Review of three year forecasts (including cash flows), bank covenants and bank facilities.	No major areas of note were identified on our review of going concern.  We note from discussions with management that the CMAAT has not been formally approved and as such the accounts have been prepared on a going concern but a note added to the accounting policy.



## 4. Accounting practices and financial reporting

During the course of our audit we consider the accounting practices, accounting policies adopted that have a significant impact on the information and disclosures in the financial statements.




Aspect considered	Conclusion
Accounting policies	We have not noted any significant errors or issues relating to the accounting policies adopted by the Academy.
Estimates and judgements	The major accounting estimate within the accounts relates to the valuation of the Local Government Pension Scheme, calculated by Hymans Robertson LLP. Our review of their report would suggest the year-end position is suitably estimated.
Accounting treatment	Errors identified in the accounting treatment of items have been noted in section 7.
Financial statement disclosures	The financial statements have been reviewed including disclosures made.
Unusual transactions to report	Nothing to note.
Trustees' report disclosures	The Trustee's report has been reviewed and all appropriate disclosures are included.



## 5. Accounting and financial control systems

We are required to report to those charged with governance any significant weaknesses in the internal control environment that we have noted as part of our audit.

From the audit work performed we have noted the following weaknesses in the internal control system of the MAC.

 <b>Fundamental</b> Action is imperative to ensure that the objectives are met	 <b>Significant</b> Requires action to avoid exposure to significant risks in achieving objectives	 <b>Merits attention</b> Action is advised to enhance control or improve operational efficiency
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**Control area**

**Comment**

**Management response**

Fixed Assets

The Fixed asset register did not agree to the nominal by £16,118. The amount is not considered material but it is recommended that the FAR is reconciled back to the nominal.

Noted

## 6. Follow up of previous year recommendations



### Fundamental

Action is imperative to ensure that the objectives are met



### Significant

Requires action to avoid exposure to significant risks in achieving objectives



### Merits attention

Action is advised to enhance control or improve operational efficiency

### Control area

### Comment

### Management response

### Status

Purchase credit note reserve	One instance noted whereby invoice has been double posted within the accounts at BAT. A credit note has been received in September 2023 however expenditure is overstated for 22/23.  CK recommend that invoices are reviewed prior to posting to the ledger.	Agreed.	No such instance noted in 23/24.
Sales invoicing	One instance to note whereby Hire of facilities occurring at St Mark's however sales invoices are not raised for these services.  CK recommend sales invoices are raised to ensure traceability of services provided and fees due to the MAC.	Agreed, to be aligned with MAC procedures in 23/24.	No such instance noted in 23/24.
Income processing	Three instances to note whereby income clawback processed through expenditure rather than allocating against income therefore causing an immaterial overstatement of both income and expenditure.  CK recommend that income in processed in accordance with its nature.	Agreed.	No such instance noted in 23/24.



## 7. Unadjusted/adjusted misstatements

A summary of the unadjusted/adjusted misstatements identified during the course of our work is set out below.

Description	Adjusted Misstatements		Unadjusted Misstatements	
	Profit & Loss effect Dr/(CR) £	Balance Sheet effect Dr/(CR) £	Profit & Loss effect Dr/(CR) £	Balance Sheet effect Dr/(CR) £
Per Client Accounts originally posted – (Surplus)	(708,494)			
FRS102 adjustment	(286,000)	286,000		
St Marks Accruals miss-posted into the September 2024 accounts	38,766	(38,766)		
16-19 Bursary creditor recognized (unspent 22/23 BM)	8,062	(8,062)		
<b>Revised surplus</b>	<b>(947,666)</b>			

## 8. Independence

In accordance with International Standard on Auditing (UK) 260 "Communication with those charged with governance", there are no changes to the details of relationships between CK Audit and St John Bosco Catholic Academy that may reasonably be thought to bear on CK Audit's independence and the objectivity of the senior statutory auditor, **Frances Clapham** and the audit staff and the related safeguards from those disclosed in our audit planning letter.