

# Honeybourne First School Academy

## Report to the Governors

For the period ended 31 August 2022

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## Executive Summary

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I have pleasure in presenting our Audit Completion Report to the Governors. This report is an integral part of our communication strategy with you, a strategy which is designed to ensure effective two way communication throughout the audit process with those charged with governance.

This report summarises the results of completing the planned audit approach for the year ended 31 August 2022, the results of our work and any and areas requiring further discussion and/or the attention of the Governors. At the completion stage of our work it is essential that we engage with the Governors on the results of audit work on key risk areas, including significant estimates and judgements made by Management, critical accounting policies, any significant deficiencies in internal controls, and the presentation and disclosure including compliance with FRS 102, Charities SORP, the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The team are looking forward to discussing these matters with you at the our meeting on 30<sup>th</sup> November 2022 and to receiving your input.

In the meantime if you would like to discuss any aspects in advance of the meeting we would be happy to do so.

We would like to take this opportunity to thank you and your staff for your help and cooperation during the course of our audit.



Ryan Moore  
Head of Audit & Assurance

Audit Partner  
**Ryan Moore** CA  
Senior Statutory Auditor



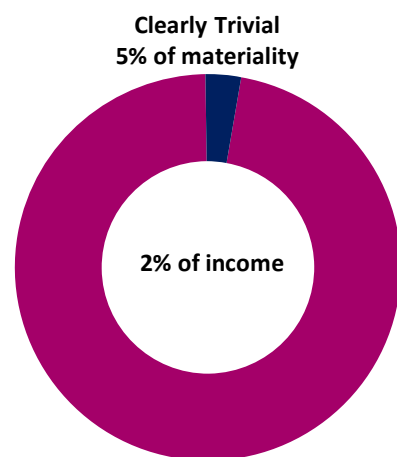
## Summary of key messages

This summary provides an overview of the audit matters that we believe are important in reviewing the status of the audit of the financial statements for the year ended 31 August 2022.

It is also intended to promote effective communication and discussion and to ensure that the results of the audit appropriately incorporate input from those charged with governance.

Prior to completion of our audit work there remains a small number of outstanding matters which are required prior to the approval of the audit report. These mainly include finalisation of our completion procedures. i.e. obtaining signed representations letter, details of any subsequent events which may affect the Academy.

### Unadjusted audit differences and our audit materiality threshold



Overall materiality was determined based at 2% of income. We consider this is the most appropriate measure for calculating materiality and is a measure which is of significant interest to both the Governors, the users of the financial statements.

In accordance with the auditing standards, clearly trivial (the level at which misstatements are reported to the Governors) is set at 5% of overall materiality.

The aggregate value of the misstatements identified within our work do not exceed our audit materiality. The misstatements have not been adjusted for in the financial statements.

### Overview (continued)

The Academy is working well within its available resources and is receptive to change on how to improve its processes and control environment. We have a responsibility as auditors to comment on these factors and it is pleasing to see that our recommendation at the interim stage regarding Companies House, journals and income was taken on board by management so promptly.

The key findings included within this report include:

Low risk control observations in respect of:

- Fixed assets
- Governors;
- Tendering Requirements;
- Trade creditors

Further details regarding these findings can be found on page 14 onwards.

## Accounts preparation status and timeline to completion

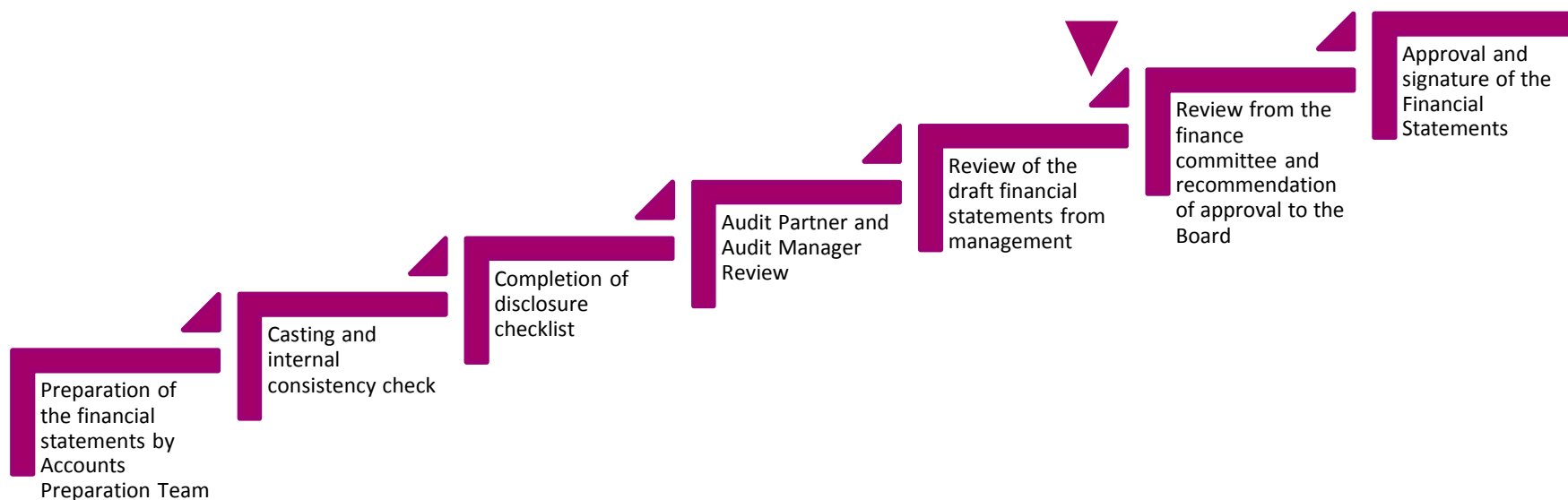
The financial statements have now been prepared and audited and subject to any amendments proposed at the Finance Committee, these will be completed and filed in accordance with the ESFA's December 2022 deadline.

We would note that the production of the Annual Report and Accounts has been a significant effort for management and Randall & Payne. Consistent with prior periods, the information provided to Randall & Payne in September / October 2022 is clear and understandable and provides a good base for preparing the financial statements.

### Disclosure quality

We consider that the Financial Statements are compliant with the requirements of the Companies Act, Charities SORP, Academies Accounts Direction and FRS 102.

### Annual Report and Accounts Audit illustrative timeline



## Summary of key items



The financial statements for Honeybourne First School Academy include an unqualified audit report and regularity report for the Trust for the year ended 31 August 2022.

There is not a material uncertainty in respect of the going concern on the Trust. The Academy have incurred an in year deficit of £16,577, however there is sufficient cash and reserves brought forward absorb this and prevent an overall deficit accumulating. See page 10 for further detail.



Our review of systems and controls indicated that the Academy Trust operates a good control environment. Our work highlighted areas for process improvement during the year, as well as some areas that were satisfactorily resolved prior to the year end.



There were no material unadjusted errors identified during our audit work.



Some adjustments were made to the management accounts in order to prepare the statutory financial statements however these are routine adjustments that are typically only recorded at the period end following receipt of external information. For example, accounting for the Defined Benefit Pension Scheme and accounting for depreciation charges.

A full reconciliation is found on page 16 of the report.



The risks identified during the audit are included within pages 7 to 11 of the report. See these pages for further details regarding our audit team responses and any related findings and recommendations.

# AUDIT PROCESS

## Year end accounts pick up

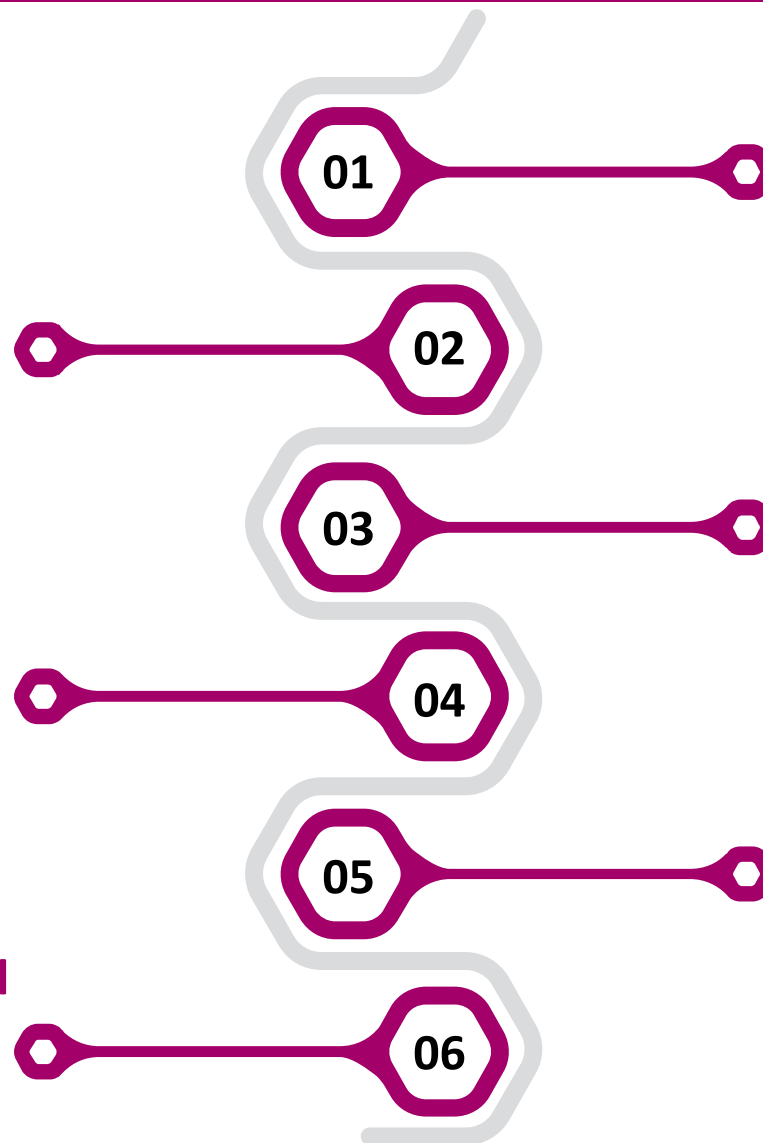
We received the accounts information and supporting documentation electronically through our secure file share portal at the end of September 2022, and then discussed the activities during the year and plans for the 2022 audit work. We were in contact throughout the year on various matters including budgets, VAT and systems, and as such this meeting is more of a catch-up rather than detailed assessment of activities and events. We also acknowledge that the academy continues to discuss its activities with us through the year so that we are up to date with events at the time of the audit

## Audit planning

Audit planning is a continuous process throughout the year round audit cycle. This includes reviewing and determining the audit risks throughout the period. Detailed audit planning was finalised once the accounts were prepared in their initial form. Using the information obtained from our touch points throughout the year and known activities within the academy, a plan for how the audit is to be undertaken was established. Audit planning was then reviewed by Ryan and an audit planning meeting took place between the team to share knowledge and to discuss and assess audit role and planning on how to approach the assignment.

## Financial Statements approval

The financial statements and management letter is presented at the Governor’s meeting and the accounts are approved for submission to the relevant authorities.



## Team selection

The audit staff involved in the audit process were as follows:  
 Ryan Moore - Responsible Individual/Audit Partner  
 Ben Burch- Audit Manager  
 Ffion Williams- Audit Senior

## Accounts Preparation

The information was then reviewed at Randall & Payne’s offices and accounts prepared by another member of the team to ensure ethical requirements are met. These were then reviewed ready for the audit planning.

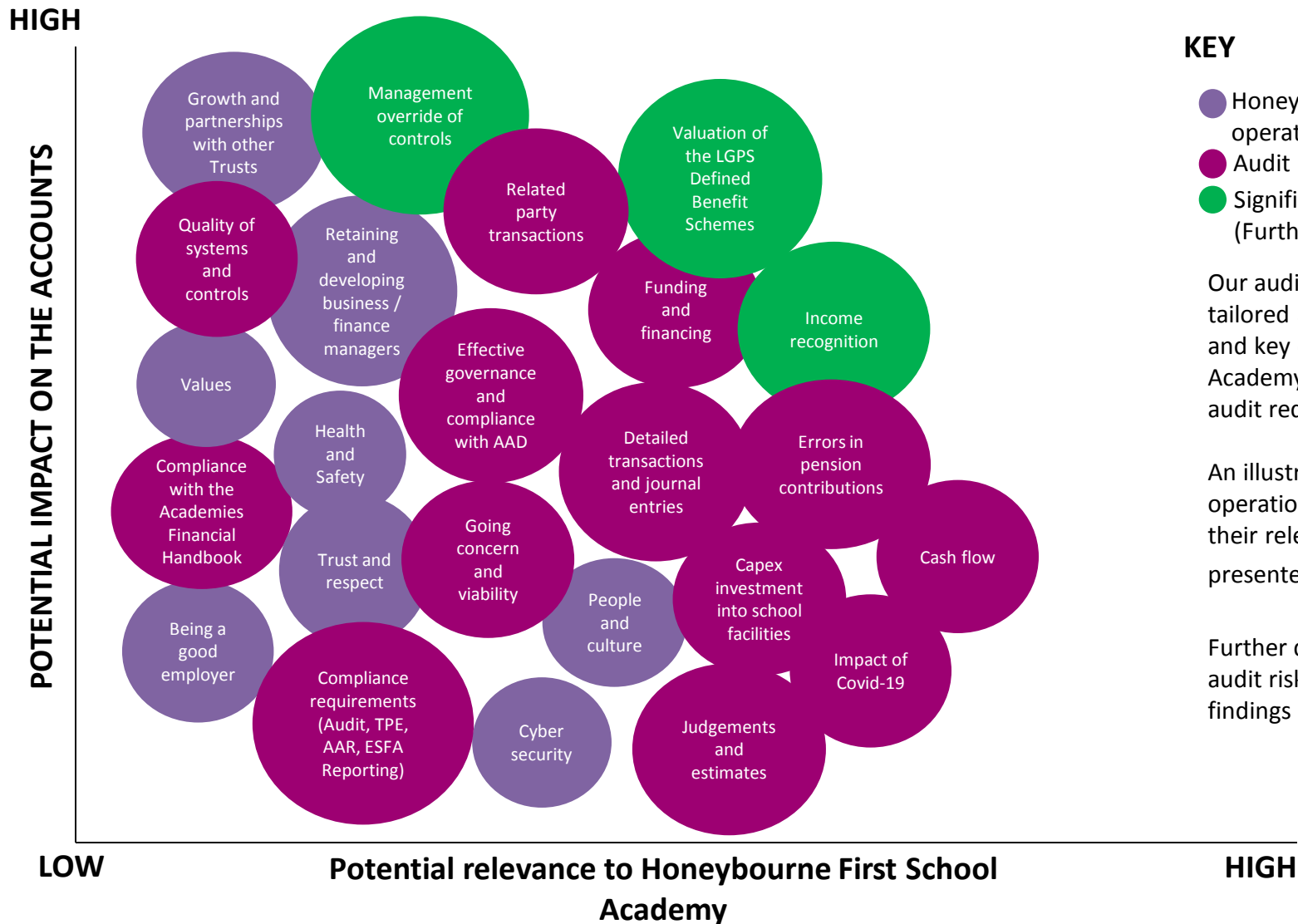
## Fieldwork & Completion

The audit team were then on site on 7<sup>th</sup> and 8<sup>th</sup> November 2022.

Audit completion involves pulling together the findings from the audit fieldwork and concluding on the audit overall. Work is undertaken in order to communicate with the academy and ensure our overall opinion on the financial statements are reasonable. This work is undertaken in Randall & Payne’s offices following completion of the fieldwork and accounts preparation.

Following the preparation of the audit completion, Ryan reviewed the file, ready for the accounts and report to Governors to be distributed prior to a meeting whereby they are then approved and signed.

# THE AUDIT RISKS - OVERVIEW



## KEY

- Honeybourne First School Academy operational matters
- Audit matters
- Significant Audit Risk for FY22 (Further details overleaf)





Our audit work has been planned and tailored accordingly to current operations and key events of Honeybourne First School Academy and any routine sector specific audit requirements.

An illustrative example of how these operational matters link with our audit and their relevance to your Academy is presented left.





Further details regarding the significant audit risks, our audit process and related findings can be found through this report.

## THE AUDIT RISKS – SIGNIFICANT RISKS DETAIL





### Revenue recognition

 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>An inherent risk in the academy is the recognition of revenue and ensuring that cut-off is appropriately treated.</p> <p>With the teaching period inactive over the summer period, the risk is reduced of misstatement, as there is a larger window of reduced operation. However, it is still key to ensure that any other income is appropriately recorded in the accounts.</p> <p>With some grants being due in the year but payments falling across a different year end, it is important that any income due is accrued for accordingly.</p>	<p>Obtain external confirmations of the amount of grant expected to be received and assess the source documentation upon which this is based (e.g. census for Pupil Led Funding and capital bids for any CIF funds). Ensure that amounts received in the bank agree to payment schedules or income is accrued for accordingly.</p> <p>For other income (i.e. trip income, sales of goods, lettings), ensure that any initial documentation triggering the sale (i.e. booking form, letting calendar) agrees to the invoices being raised and monies received.</p>	<p>Grant income appears appropriately recognised in the accounts, with deferred income as well as accrued income being recognised in order to apportion an appropriate level of income within the accounts.</p> <p>Our testing did not identify any items of other income which has not been appropriately recognised in the accounts. Academy debtors have also been deemed recoverable, therefore giving satisfaction that the income is indeed free from material misstatements.</p>	<p>Income has been presented appropriately in the accounts and in accordance with the accounting standards.</p>



<b>Management override</b>			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>ISA (UK) 240 - The auditor’s responsibilities relating to fraud in an audit of financial statements requires us to presume that the risk of management override of controls is present and significant in all entities. In particular, we consider there to be a risk of management override of controls attributable to areas that management are required to make subjective judgements, for example in respect of significant accounting estimates that involve making assumptions and considering future events that are inherently uncertain. We consider this risk both at an individual estimate level and in aggregate, across all estimates and judgements made.</p>	<p>A review of the systems and controls was undertaken to ensure that these were sufficient. A walkthrough test on each area was also carried out to ensure that systems were being followed.</p> <p>Journal adjustments through the system were also reviewed.</p> <p>Key accounting estimates will be reviewed for bias in comparison to sector- and academy-specific items.</p> <p>We will consider whether any of the transactions reviewed at any point of the audit are significant or unusual or outside of the academy’s normal course of business.</p>	<p>Our audit findings did not highlight weaknesses or issues of a significant nature.</p> <p>Estimates and accounting policies used in the accounts appear reasonable and in line with expectations as well as allowable under the Accounts Direction.</p> <p>No unexpected unusual transactions were identified as part of the audit.</p>	<p>There were no issues identified through a review of the systems and controls.</p>

<i>Related party transactions</i>			
Key area of audit focus	Our approach	Findings	Conclusion
<p>With the growing publicity that academies are receiving, it is important to ensure that related party transactions are disclosed accordingly in the accounts.</p> <p>For those over the de minimis of £2,500, it is then important to ensure that the transaction has occurred at cost for the supplier and is disclosed as such.</p> <p>Further, the Handbook states that related party transactions must be disclosed to the ESFA prior to taking place.</p> <p>The Academies Financial Handbook requires governors business and pecuniary interests to be disclosed on the academy’s website.</p>	<p>Review the declarations of interest and ensure that any transactions identified have been appropriately approved and disclosed in the accounts.</p> <p>Perform searches on the directors and shareholders to identify any other entities that the company may have transacted with.</p> <p>Ensure disclosures with related parties are appropriately disclosed and in accordance with the Accounts Direction.</p>	<p>We have not identified transactions for disclosure within the financial statements which is in line with the clients confirmation.</p> <p>No transactions with parties that are considered to be related to the Trust were identified for further disclosure.</p> <p>The academy have now disclosed the Governors’ interests on their website following a recommendation in the prior period.</p>	<p>Related party transactions appear to have been appropriately disclosed and appear reasonable in the accounts.</p>

<i>Going concern</i>			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>Many academies are seeing reducing income and increased expenditure through pension commitments and other staff costs, budgets are tightening and reserves held are being affected.</p> <p>This risk that the Trust is not a going concern has an effect on the way in which the accounts are prepared and any opinions on the future of the academy, and as such is a key area of focus for our audit.</p>	<p>Discuss the activities of the academy in the current year and how future plans will effect the financial results going forward.</p> <p>Review budgets and forecasts submitted to the ESFA during the year and assess the basis upon which they have been prepared.</p> <p>Audit the academy’s trading and cash flow forecast. Agree the mathematical accuracy of the forecasts made by management;</p> <p>Audit the key management assumptions in relation to future income, capital expenditure, working capital movements, cost savings initiatives included in the forecast and assumptions made and;</p> <p>Evaluate the adequacy of the Governors disclosure of their basis for determining that the going concern basis of preparation of the financial statements is appropriate.</p>	<p>The Academy Trust continues to work hard to ensure that cashflows are sufficient to maintain the ongoing operations.</p> <p>Due to the nature of the funding largely being driven by pupil numbers there is an increased pressure to maintain PAN and reduce costs elsewhere. The Trust upholds a good reputation locally and actively seeks to maintain pupil numbers, whilst also monitoring costs on a monthly basis to identify potential cost savings.</p> <p>The Academy incurred an in-year deficit on operating reserves of £16,577. This was supported by brought forward operating reserves of £48,948. The Academy has a relatively balanced budget in the upcoming year 2022/23 and a surplus in the following two years. Whilst a surplus is anticipated in the coming financial years, it remains of utmost importance that the Academy continues to negotiate with suppliers to minimise cost increases wherever possible and continues to maximise its self-generated income streams, to reduce the risk of a cumulative deficit developing over the coming 3 years.</p>	<p>We consider the Governors’ use of the going concern assumption in the financial statements to be appropriate.</p>

Valuation of Defined Benefit Pension Scheme			
Key area of audit focus	Our approach	Findings	Conclusion
<p>The actuarial assumptions used to value the pension schemes (Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS")) are inherently judgemental and sensitive to change.</p> <p>Due to the significance of the value of the pension obligation, a small change in any of the key assumptions could result in a material difference to the amounts recorded in the financial statements.</p>	<p>Using external data, we benchmarked the key actuarial assumptions used by the management expert, in determining the pension obligation.</p> <p>A walkthrough of the Academy's financial reporting close process and key controls around processing the pension journals;</p> <p>We assessed the competency of the management expert providing the valuation with reference to their qualifications as Fellows of the Institute and Faculty of Actuaries (FFA) and assessed the independence and objectivity of the personnel providing the valuation report.</p>	<p>Our audit procedures in this area did not identify any issues with respect to the assumptions made by management in valuing the liabilities of these pension schemes.</p>	<p>No issues were identified in the course of our work.</p>

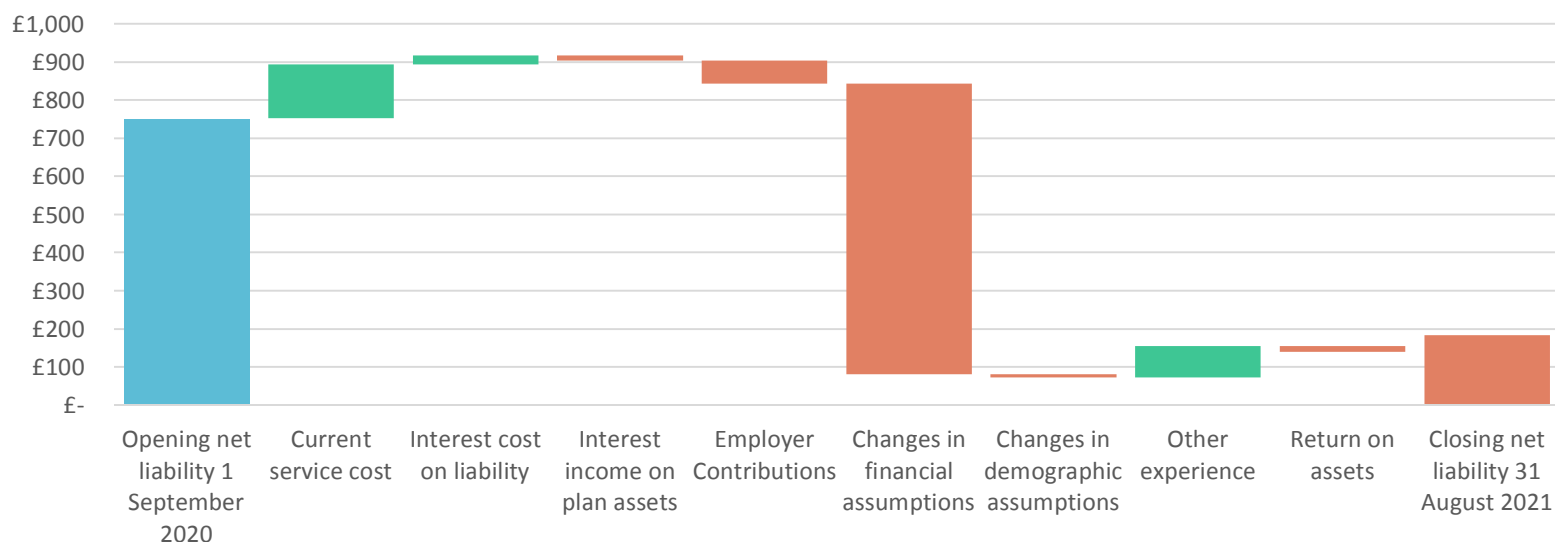
Key assumption	Outside range	Within range	Median	Within range	Outside range
Discount rate	○	○	●	○	○
CPI Inflation	○	○	●	○	○
Increase in salaries	○	○	●	○	○
Mortality improvement	○	○	●	○	○

Accounting for defined benefit plans is much more complex than the accounting for defined contribution plans. It requires the use of actuarial techniques (such as discounting) and assumptions (such as mortality, interest rates and investment returns) to measure the obligation and expense.

The key steps for Honeybourne First School Academy is:

- In the statement of financial position (balance sheet), recognise a defined benefit liability being the net of:
  - a liability, termed the defined benefit obligation, for benefits payable, less
  - plan assets, being the assets held to meet the obligation
- In the Statement of Financial Activities, recognise the cost of the defined benefit plan, being the movement in the defined benefit liability adjusted for payments into and out of the plan. This cost is an aggregation of changes in the defined benefit obligation and changes in plan assets.

The component changes in the Net Liability in the year to 31 August 2022, as presented in the financial statements is as follows:



## OTHER AREAS OF AUDIT TESTING

### GOVERNORS AND RELATED PARTY TRANSACTIONS

No matter on the value, Governor and other related party transactions are required to be disclosed in the accounts as per the accounting standards. Our work is to ensure that the disclosures are complete and accurate, and it appears that this is indeed the case for the remuneration earned and transactions with Governors and any related parties.

It was identified during our testing that one governor was appointed in March 2021, however this was not filed at Companies House until September 2022. Appointments should be filed within 14 days. We recommend filing this information as soon as a new Governor is appointed.

### INCOME AND DEBTORS

Most of the income received by the Trust is in the form of grants, for which our work involves ensuring that the amount disclosed in the accounts matched this documentation, and has been disclosed in the appropriate fund. A few transactions had been incorrectly allocated and have therefore been moved during the audit.

Other income received, such as lettings, catering income and trip income, was also reviewed to ensure that these were appropriately recognised in the accounts, no issues were identified.

Debtors and accrued income were assessed at the year end to ensure recoverability and, therefore, valuations were reasonable. No issues were identified other than a reclassification journal required from sundry debtors to accrued income.

### FIXED ASSETS

Audit work done on fixed assets is to ensure that they are complete, valued appropriately, physically exist and are the ownership of the academy.

A sample of fixed assets in the asset register were selected and audit testing did not highlight issues with these items. However, the fixed asset register did include items which were individually below the £500 capitalisation policy. Having discussed this with the Head Teacher and Finance Secretary, we understand the rationale behind the inclusion of the items, however we would recommend updating the capitalisation policy if such items are to be capitalised in the future.

One item amounting to £1,859 was identified during the fixed asset completeness testing which should have been capitalised. It was agreed with the Finance Secretary that this was to be adjusted for.

The land and property was reviewed, and it was confirmed that it was in the name of the academy, and values appear comparable to the information disclosed on the insurance documents.

Any repairs and renewals and other related costs attributed to the SOFA were also reviewed to ensure that they also should not be capitalised, and have been expended in the year.

## BANK AND CASH

A review of a sample of transactions through the bank did not highlight any issues, and the controls and systems in place appear satisfactory, with no suggested improvements identified.

The bank balance was also agreed through to online banking, confirming the balances at the year end.

A sample of charge card was also reviewed, as this is a key area susceptible to potential misappropriation of funds. No issues were identified from the year end review.

## PURCHASES AND CREDITORS

We tested a sample of purchases made through the Academy, and this test did not highlight any issues, and the cut-off of expenditure in the accounts appears reasonable. Therefore, expenditure does not appear to be materially understated in the year.

Expenditure post-year end was reviewed to ensure that this was included in the appropriate year. There were no material issues, however we did identify one invoice amounting to £3,885 which was included in trade creditors but relates to 2022/23. The value of this invoice is not material and has therefore been included as an unadjusted error.

We understand that there is a service level agreement in place with Worcestershire County Council who carried out the energy tender on behalf of the Academy. Whilst this is reasonable, we would recommend that the Academy also reviews the results of the tender to ensure the chosen option guarantees best value for money.

## PROVISIONS

We reviewed the post balance sheet events to establish whether there are any events that may be disclosable in the 2021 accounts. No items were identified, following confirmation from management.

## WAGES AND SALARIES

There were no issues identified in a review of the systems, specifically detailing how joiners and leavers are dealt with in the academy.

A sample of employees were selected, and various checks were undertaken including confirming actual pay to documented pay (approved records, contract, terms of engagement etc.), reviewing tax calculation processes and ensuring existence of staff being paid.

Whilst we were able to agree employees pay per the payroll reports to a record of contracted salaries held by the client, we would recommend issuing letters to employees when there is a change in their contract/salary and keeping a record of these.

It was identified during the completion of the Teachers' Pension Audit that a number of pension contributions were not paid at the correct rate. The report has not yet been submitted due to the additional work required to ensure accuracy.

## JOURNALS

As noted in the significant risk section of this report management override is a key area that we need to be aware of in all audits. A review of a sample of journals was undertaken to ensure that the financial records had not been altered in such a way to materially impact the figures against the usual activities of the company. Our testing did not appear to highlight issues of this type and we are satisfied with the journal review and approval processes in place at the Academy.

During the accounts preparation, there are inevitably adjustments that are required in order align your management accounts with the statutory accounts format. These are as follows:

ADJUSTMENTS MADE IN THE ACCOUNTS PREPARATION PROCESS		£
Surplus/(Deficit) per TB		(£220,682)
<i>Items capitalised</i>		£177,409
<i>Depreciation adjustment</i>		(£75,943)
<i>Posting of accrued capital income which was included on accrued income schedule but not posted to the system</i>		£32,552
<i>FRS102 pension adjustment</i>		(£91,000)
<i>Actuarial pension movement</i>		£659,000
<b>Surplus/(Deficit) per accounts</b>		<b>£481,336</b>

The above adjustments have been agreed by the Finance Secretary and have been adjusted for in the accounts for the period ended 31 August 2022.

The below adjustments have not been adjusted for within the accounts as they are not deemed material.

UNADJUSTED ERRORS IDENTIFIED DURING AUDIT		£
<i>Trade creditor included in the incorrect period</i>		£3,885



## UNADJUSTED AUDIT MISSTATEMENTS

A summary of the unadjusted errors identified during the course of our work can be found on page 16. No further unadjusted errors have been identified.

We have not disclosed below those items that we consider to be “clearly trivial” in the context of our audit.

## ADJUSTED AUDIT MISSTATEMENTS EXPLAINED

### Fixed assets

During the audit work, we identified fencing works amounting to £1,859 which had not been capitalised. It was agreed whilst on site to adjust for this.

### Accrued income

Accrued capital income of £32,552 had not been posted to the system, however it had been included on the schedule of accrued income provided to us by the Finance Secretary.

LEVEL OF UNADJUSTED AUDIT DIFFERENCES RELATIVE TO MATERIALITY	
Impact	
< £NIL	> MATERIALITY (ISSUE)



## INTERNAL SYSTEMS AND CONTROLS

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 controls. 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.

Overall, considering the size and nature of the entity, it is considered that Honeybourne First School Academy has a good overall system of internal control in the year with some areas for improvement noted.

Accordingly, there were some deficiencies in control, none of which are considered “significant deficiencies in internal control” (i.e. could give rise to a material error in the accounts) identified during the audit process, and it appears that the level of controls and systems in place is sufficient to mitigate risks of material misstatement and override.

A review of the points raised at the systems audit are presented overleaf.



## Declaration of Interest



Comment at interim	Improvement to be actioned	Year-end comments
One governor did not disclose a directorship on their declaration of interest form.	To ensure all directorships and trusteeships are disclosed on declaration of interest forms.	This is yet to be included on the updated list of interests for the same governor. All directorships are required to be included.

## Website Disclosures



Comment at interim	Improvement to be actioned	Year-end comments
It was identified during testing that the Governors listed on the website have not yet been updated for 2021/22. There are 2 governors showing on Companies House but not on the website.	To update the governors list on the website when there has been a change to ensure this is up to date.	This has now been updated on the website. We recommend that this is kept under review and updated regularly.

## Payroll liabilities



Weakness	Potential consequence	Year-end comments/ recommendation
The payroll liability per the payroll report could not be agreed to the liability payment per the bank statement due to the reports being unclear.	Could lead to incorrect payments being made to payroll and tax creditors, resulting in accumulated errors.	Payroll liabilities were agreed at year end.

## Bank payments



Weakness	Potential consequence	Year-end comments/ recommendation
A controls weakness was identified when a payment left the bank in error and was later refunded.	Possible financial loss to the entity due to non-bona fide transactions not being identified in a timely manner.	No such issues were identified during year end testing. We understand that the issue has been addressed and all transactions are now being reviewed and approved.

## Pension contributions



Weakness	Potential consequence	Year-end comments/ recommendation
It was identified during the completion of the Teachers' Pension Audit that a number of pension contributions were not paid at the correct rate. The report has not yet been submitted due to the additional work required to ensure accuracy.	Employees pension payments are inaccurate, resulting in under/over payments as well as a liability of the academy.	Recommend reviewing payroll monthly – salary, allowances and pension rates to ensure errors are identified in a timely manner.



## ACCOUNTING FOR JUDGEMENTS & ESTIMATES

As part of the audit standards and in line with our audit processes, we are required to obtain an understanding as to the rationale behind accounting estimates and judgements taken by management. As such, we have reviewed the following areas (which we consider to represent the key judgements and estimates in the accounts)

Judgements & Estimates applied within:	Prudent (audit issue)		Balanced Judgement		Optimistic (audit issue)
Management override of controls	○	○	●	○	○
Income recognition	○	○	●	○	○
Depreciation rates applied	○	○	●	○	○
Accounting for assumptions in Defined Benefit Pension Scheme	○	○	●	○	○
Going concern	○	○	●	○	○
Related parties	○	○	●	○	○

Explanation of any judgements / estimates which are not considered to be balanced

N/A – judgements balanced.

## SUMMARY STATUTORY AUDIT OPINION

As a result of the audit work we have undertaken, we have concluded that the financial statements appear to be free from material misstatement. Therefore the report contained within the draft financial statements will become the audit report in the final financial statements, subject to satisfactory clearance of any outstanding matters. This is the standard unmodified audit report in line with the ESFA's expectations. The audit opinion specifically written in the accounts will be as follows:

*In our opinion the financial statements:*

- *give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;*
- *have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- *have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 20201 to 2022 issued by the Education and Skills Funding Agency;*

*In our opinion, based on the work undertaken in the course of the audit:*

- *the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements;*
- *the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.*

## SUMMARY REGULARITY AUDIT OPINION

It is a requirement of the ESFA for the auditors of academies to include a Statement on Regularity within the Governors' Report and financial statements. This report will be stated separately and in addition to the above statutory audit opinion. The accounting officer statement on regularity, propriety and compliance forms the basis of an enhanced 'regularity audit' that will provide assurance to both the Honeybourne First School Academy and the ESFA on the use of the Honeybourne First School Academy's funds. The auditor's opinion of regularity is addressed jointly to the governing body and to the ESFA.

From the work undertaken as part of the audit, the sample selected of income and expenditure appears to be in line with the scope of the purposes intended for them by the Education and Skills Funding Agency or other government bodies.

The statement included within the accounts is as follows:

*In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.*

## POST-BALANCE SHEET EVENTS

Prior to signing the audit report, we will need to complete an up to date Post Balance Sheet Events Review. Please can you confirm that you are not aware of any events that may impact these financial statements? This is included in the letter of representation.

### **Client Comments**

I confirm that I am not aware of any events that may impact these financial statements.

## LETTER OF REPRESENTATION

A letter of representation will be issued with the financial statements and we shall forward this for approval by separate cover.

### **Client Comments**

Received and signed.

## PROPOSED FUTURE CONTACT PROGRAMME

December 2022	Preparation and submission of your AAR by 19 January 2023
April 2023	Interim audit visit
July/August 2023	Preparation and submission of your TPA by the September deadline
September 2023	Accounts pick up
October 2023	Audit fieldwork
November 2023	Governors meeting to present management letter and financial statements



## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

**The International Standards on Auditing (UK and Ireland) 260 require us to communicate significant matters arising from our audit to you.**

**In accordance with our normal practice we have prepared this report to summarise the principal matters that came to our attention during the course of the audit, which may include:**

- **Key accounting issues impacting on the financial statements**
- **Outstanding matters to complete the audit**
- **Our views on accounting systems and controls**

**Where an audit meeting is to take place, it can also be used as an agenda for the purposes of that meeting.**

## AUDIT COMMUNICATIONS

We explained our audit responsibilities and objectives, procedures and limitations in our letter of communications. This letter also explains our approach to reporting audit findings to management, taking account of your requirements as well as our professional responsibilities. This document discusses only the significant issues arising from our audit.

## COMPLIANCE WITH ETHICAL STANDARDS

We are required to, and have complied with, the new and revised Ethical Standards issued by the Financial Reporting Council (FRC) and all threats to our independence, as identified to you in our planning communication letter, have been properly addressed through appropriate safeguards.

Randall & Payne LLP has procedures in place to ensure that its partners and professional staff comply with both the FRC's Ethical Standards and the Code of Ethics adopted by the Institute of Chartered Accountants in England and Wales.

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.

## SCOPE OF OUR WORK AND FINAL REMARKS

The scope of our work has already been communicated to you via our Audit Communications letter dated 01 November 2022.

Matters may come to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily detect 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 tests, we would, of course, inform you immediately.

We consider that the audit approach adopted will provide the Governors with the required confidence that a thorough and robust audit has been carried out and can confirm that, at the date of this report, we anticipate no modifications to our audit report as noted in section 9 of the report.

This report has been prepared for the sole use of the Governors of Honeybourne First School Academy and must not be disclosed to any third party, or quoted or referred to, without our prior consent. No responsibilities are accepted by Randall & Payne LLP towards any party acting or refraining from action as a result of this report.



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The firm is not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services to clients because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide.