

The Kite Academy Trust

Summary of audit findings for the year ended 31 August 2020



Report to the trustees and summary of audit findings

The Kite Academy Trust

Year ended 31 August 2020

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT AND REGULARITY ASSURANCE ENGAGEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 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 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.

The Kite Academy Trust

Summary of audit findings for the year ended 31 August 2020

Internal 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 control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported on the attached schedule are limited to those deficiencies that we have identified during the audit.

Outstanding matters

Prior to issuing our audit report we require:

- the signed letters of representation;
- a copy of the academy's most recent management accounts showing a comparison against budget.
- signed journals

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding the matters outlined in this report.

SUGGESTED IMPROVEMENTS

Level	Current Procedure	Possible Consequences	Suggested Improvement	Management Response
2 (R) (P)	<p>At the time of the audit there were a number of details which were not fully up-to-date on the individual schools' websites (FRN/HLG/LAK/SAN).</p> <p>This included:</p> <ul style="list-style-type: none"> - Missing governors details - Attendance registers not up to date for 19/20 - Register of interests not updated for 19/20 (also HAL) 	<p>It is a requirement of the AFH that trusts must be transparent with governance arrangements and ensure governors' pecuniary and business interests are available on their website.</p> <p>Guidance has also been issued by the DfE, confirming information which academies should publish on their website.</p>	<p>We recommend that the MAT and school websites are updated as soon as possible to ensure compliance with this requirement.</p> <p>See AFH 2.47</p>	<p>The Trust have reviewed how the Governor pages on the academy websites are completed as this was left at a local level. The Trust clerk will now co-ordinate this and support academies to ensure that this page is kept up to date in a timely matter.</p>
1 (R)	<p>Two financial returns were submitted late during the year. This included one ESFA return (the BFRO), as well as the Teachers' Pension EOYCs.</p>	<p>Late submission of two of more ESFA financial returns can result in the MAT's name being published by the ESFA, though this has been waived for 19/20.</p> <p>Interest is payable on any under-paid contributions highlighted on the EOYC forms, where these are not submitted on time.</p>	<p>We understand the exceptional circumstances of 19/20 have contributed to the delay in these forms being completed.</p> <p>We recommend extra care is taken in 20/21 to ensure that work on these returns is begun in good time, to ensure they are submitted prior to the deadline.</p>	<p>There were exceptional circumstances this year with a Director of Finance new to role and then Covid meaning it was more difficult to get information in a timely manner. The ESFA had agreed the late return of the pensions because of new personnel. The BFRO was submitted the following morning due to difficulties getting the last piece of information.</p>

The Kite Academy Trust

Summary of audit findings for the year ended 31 August 2020

1 (R)	<p>DBS checks had not been carried out for new Trustees appointed in spring term 19/20, owing to delays in receipt of the relevant paperwork.</p> <p>We understand these Trustees have had no access to schools or contact with children during this period.</p>	<p>All academy trustees are required to have DBS checks in place. This has not been complied with during the year.</p>	<p>Now the required paperwork has been received, we advise these checks are carried out as soon as practicable.</p>	<p>The Trustee appointed in the spring term had been processed but the DBS was stuck in the system for a long time due to the pandemic. The other two Trustees were appointed at the end of August. The process had been started but there was no risk to children as the meetings are held out of school hours and the majority have been off site. These are now in place.</p>
----------	--	--	---	--

Level 1 – Low Level 2 – Medium Level 3 – high

(R) = suggested improvement is a regularity assurance engagement finding

(P) = suggested improvement was also identified in the prior year

Please note that this report has been prepared for the sole use of The Kite Academy Trust. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

Regularity assurance engagement findings

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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.

Regularity

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 irregularity and impropriety across all of the Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry;
- Identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements 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.