

# Davies Mayers Barnett

Business Advisers & Chartered Accountants

Pillar House 113/115 Bath Road  
Cheltenham Gloucestershire GL53 7LS

T 01242 252555 F 01242 252374  
E admin@davies-mayers.co.uk  
www.davies-mayers.co.uk

The Trustees  
Beaufort Co-Operative Academy  
Holmleigh Park  
Tuffley  
Gloucester  
GL4 0RT

Your Ref :

Our Ref : COOP/ACAD.1.2016.6/NSS/C

Name Of Contact : Nikki Smith

11<sup>th</sup> November 2016

Dear Sirs

**Management Letter**  
**Audit for the Year Ended 31st August 2016**

There were no changes to our audit approach, as discussed with you and set out in our engagement letter dated 22 September 2016.

However, a number of matters have come to our attention during the course of this year's audit and assurance work and we should like to communicate these to you for your consideration and implementation.

We have set out the matters below, together with our suggestions and recommendations. As now required by the Academies Accounts Direction, we would request that you complete the 'Trust response' section below with your comments.

<u>Observation</u>	<u>High, Medium or Low risk</u>	<u>Potential implications and recommendations</u>	<u>Trust response/ timetable for action</u>
<u>Cut-off</u> A number of pre year-end purchase invoices were noted as being posted in to the 2016/17 period, with no adjustment to bring the costs into 2015/16.	Medium	The misstatement of trade creditors, expenditure and prepayments. Additionally, VAT may be being reclaimed later than it could be.  Late invoices should be accrued accordingly.	<b>Recommendation noted to manage and prepare more detailed accruals listing to allow adjustment to be processed to pre-closure of accounting period prior to year-end.</b>

The following audit issues communicated in the 2015 management letter and the proposed approach to each of these areas, in light of whether there were further developments in the year are outlined below:

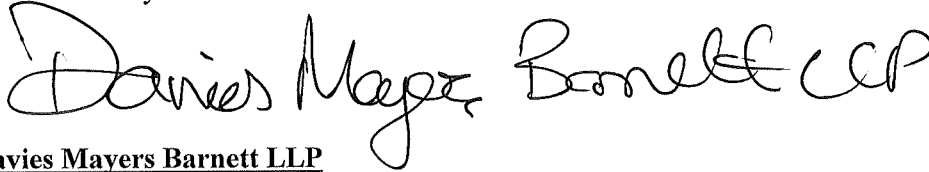
<u>Observation and recommendation (as noted by the previous auditors)</u>	<u>High, Medium or Low risk</u>	<u>Status in current year</u>	<u>Trust response/ timetable for action</u>
<p><u>Sports centre income</u> It was noted that the cash and cheques received for August 2015 were not banked until the end of September 2015.</p> <p>It was also noted that the income from the sports centre is recognised on a cash basis.</p>	Medium	<p><i>It was noted that the cash and cheques received for August 2016 were not banked until September 2016 and no accrual of the income had been made.</i></p> <p><i>Per the client, procedures to prevent this have been working effectively throughout the year, however it was noted that there had once again been a delay in bankings at the year end.</i></p>	<p><b>Recommendation noted to review structure again to acknowledge and prevent cash &amp; cheques from being retained on-site despite being placed in a secure safe.</b></p> <p><b>Where any income generation has occurred during the academy closure period from the community facility an accrual will be applied to the accounts appropriately to recognise this.</b></p>
<p><u>Accrued income</u> It was noted that income had not been accrued for the second instalment of Pupil premium income for the year.</p>	Low	<i>This omission has been noted again.</i>	<b>Recommendation noted to accrue pupil premium appropriately when instalment released.</b>
<p><u>Publication of information</u> It was noted that the Academy Trust website does not provide information regarding the business interests of relevant connected parties on an easily accessible basis.</p>	Low	<i>Information is available via the OUR Co-operative Academies Trust website.</i>	<b>N/A as resolved.</b>
<p><u>Fixed assets</u> It was noted that a number of items of a capital nature had been posted to the expense codes within the trial balance.</p>	Low	<i>No such problems noted.</i>	<b>N/A as resolved.</b>

As the purpose of the audit and assurance work is to form an opinion on the company's financial statements and provide a limited assurance conclusion on regularity, you will appreciate that our examination cannot necessarily be expected to disclose all shortcomings of the system and for this reason, the matters raised above may not be the only ones which exist.

We have prepared this letter for your use only. With the exception of the Education Funding Agency, it should not be disclosed to a third party and we can assume no responsibility to any person to whom it is disclosed without our written consent.

We trust the above has been useful for your purposes. As you are aware, a copy of the completed letter is required to be submitted to the Education Funding Agency by 31 December 2016 and hence we look forward to hearing from you in due course.

Yours faithfully

A handwritten signature in black ink that reads "Davies Mayers Barnett LLP". The signature is written in a cursive, flowing style.

**Davies Mayers Barnett LLP**