

Hall Cross Academy Trust
Year Ended 31 August 2021

Audit Findings Report



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1. Introduction

The purpose of this report is to set out significant matters which came to our attention during the course of our work in connection with the audit of the financial statements and the independent reporting accountant's assurance report on regularity for the year ended 31 August 2021.

The report forms part of the ongoing communication we are required to have under International Standards on Auditing (UK and Ireland). Its content is prescribed by the Academy Financial Handbook and auditing standards, and includes:

- The auditor's approach to the audit
- Areas covered by the audit
- The auditor's findings, including any significant concerns, if arising, including ratings of the importance / risk
- Audit recommendations
- The academy trust's response to the auditor's recommendations including timescale for action
- The status of any audit recommendations from the previous year

In the context of the above, we as auditors are required to report significant findings from the audit, which include:

- The auditor's views about significant qualitative aspects of the academy trust's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
- Significant difficulties, if any, encountered during the audit
- Significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management
- Written representations the auditor is requesting
- Other matters, if any, arising that, in the auditor's professional judgement, are significant to the oversight of the financial reporting process

We also report to you any significant deficiencies in internal control identified during our audit and any other deficiencies, which, in our professional judgement are of sufficient importance to merit your attention.

The matters included in this report have been discussed with the academy trust's management during the audit.

1.1 Use of this report

The report is prepared solely for the confidential use of the academy trust and relates only to those matters which came to our attention as part of our normal audit and assurance report procedures which are principally designed to enable us to form an audit opinion on the financial statements and an assurance opinion on regularity.

Our work was not carried out for the purpose of expressing an opinion on the effectiveness of internal control, is not designed to test all internal controls or identify all areas of control weakness and should not be relied upon to disclose errors or irregularities which are not material in relation to the financial statements or regularity report. It is prepared solely for the use of the Board of Trustees of the academy trust and should not be communicated in whole or in part to any third party and we accept no responsibility to any party who places reliance on it.

1.2 Acknowledgements

We would like to take this opportunity to thank all staff we met during our audit for their co-operation and assistance.

2. Overall Objective

Our work is designed to consider whether:

- the financial statements of the academy trust give a true and fair view of the state of the academy trust's affairs at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the ESFA Accounts Direction, the Companies Act 2006 and UK Generally Accepted Accounting Practice;
- the information given in the Report of Trustees is consistent with the financial statements; and
- anything has come to our attention which suggests in all material respects the expenditure disbursed and the income received has not been applied to the purposes intended by Parliament and the financial transactions do not confirm to the authorities which govern them.

2.1 Audit approach

Our overall audit approach is risk based and our detailed approach to individual components of the financial statements is derived from the results of our risk assessment on each area.

Our objective is to obtain sufficient appropriate evidence in order to form an audit opinion on the financial statements which have been prepared by management. Our audit plan is tailored to ensure that we carry out the minimum amount of audit work required to achieve our objective. The level of detail of our testing depends on the risks identified and the relative complexity of individual audit areas. This ensures that we concentrate our audit work on the areas identified as being of the highest risk of material misstatement and our work in lower risk areas is proportionately lower. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are set out in our letter of engagement.

2.2 Approach to regularity assurance

Our work is 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 includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

2.3 Materiality

Audit materiality on the financial statements as a whole relates to the level at which misstatements or omissions individually or in aggregate would affect the decisions of users of the financial statements, and the financial statements would no longer show a true and fair view.

The assessment of what is material is a matter of professional judgement and includes consideration of both the amount (quantity) and the nature (quality) of misstatements.

In carrying out an audit, we are concerned that accounts as presented show a true and fair view. Truth and fairness does not imply absolute accuracy but rather that the accounts reasonably state the affairs of the entity and do not contain any significant inaccuracies.

2. Overall Objective (continued)

Certain items within a set of accounts, such as trustees' emoluments or loans, must be legally disclosed and therefore in this context materiality would not be relevant.

Similarly, certain transactions or balances including issues of irregularity or propriety, may reasonably be expected to influence the decisions of users at a lower level and we determine this level accordingly.

3. Strategy and areas covered

3.1 Overall audit strategy

Our overall audit strategy included:

- discussions with management and reviewing interim figures, the budget return and Responsible Officer reports to update our understanding of the academy trust, to identify any changes and identify areas of higher risk;
- reviewing the design and implementation of internal control systems affecting the areas of the financial statements identified as higher risk;
- carrying out risk assessment procedures to assess the overall audit risk and risk on individual audit areas
- using the risk assessment to plan and develop an appropriate audit plan and procedures
- substantive testing, along with observation, enquiry, and walk-through tests of systems to confirm that the systems and controls as advised to us are operating effectively and as stated
- verifying any material balance sheet figures
- performing analytical review of income and expenditure
- confirming that the financial statements had been prepared in accordance with the Academies Accounts Direction 2020 to 2021 in all material respects

3.2 Regularity work

Our work on regularity included:

- enquiry of officers of the academy trust
- review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy trust's system of controls
- examination of relevant documents
- review of the activities carried out by the academy trust
- review of the delegated authorities set out in the Academies Financial Handbook
- a review of governance, as set out in the Academies Accounts Direction 2020 to 2021

3.3 Higher risk areas identified at the planning stage

The following areas were identified as high risk at the audit planning stage and our audit approach concentrated on these areas accordingly:

- Income recognition — under ISA 240 there is a presumed risk that income may be misstated due to incorrect revenue recognition
- Management override — under ISA 240 there is a presumed risk of the management override of controls in all entities
- Related parties - specific controls and disclosures are required in this area. There is a risk that accounting procedures may treat related party transactions in the same way as other transactions hence the additional requirements could be overlooked.
- Impact of COVID-19 — to what extent the governance and control arrangements and operations of the academy trust were impacted by COVID-19.

4. Audit summary

Our audit work is substantially complete subject to the matters set out below:

- receipt of the signed letters of representation
- completion of the subsequent events review

We anticipate issuing an unmodified audit opinion on the financial statements and an unqualified assurance report on regularity.

We have not identified any additional areas of risk, following our fieldwork, other than those matters identified at the planning stage and detailed in section 5.1

We have identified deficiencies in internal controls as confirmed in section 5.2.1. Section 5.2.2 includes an update on the status of previous recommendations.

We have not identified issues with regularity as shown in section 5.2.3. Section 5.2.4 includes an update on the status of previous recommendations.

As previously advised, we consider that the potential threats to our auditor independence, and any safeguards adopted are as follows:

- Preparation of the statutory financial statements and audit work carried out by the same team. The safeguards adopted to counter any management or self-review threats arising are approval of any adjustments by informed management and an independent ethics review carried out by a senior member of staff independent of the audit team

Included in the appendices to this report are

- details of the adjustments made to the trial balance figures to arrive at the figures in the final accounts, presented as a surplus reconciliation (Appendix 1)
- a summary of the unadjusted misstatements identified during audit testing (Appendix 2)
- our views on the significant qualitative aspects of the academy trust's accounting practices (Appendix 3)
- draft letters of representation for the audit and regularity assignment (Appendix 4)

5. Key Findings

5.1 Matters identified at the planning stage

	Issue identified	Notes
1	Income recognition	<ul style="list-style-type: none"> • General Annual Grant (GAG) and other ESFA income included in the financial statements was successfully agreed to final funding confirmation from the ESFA. • Management confirmed that there is no ESFA claw back in respect of pupil numbers. We confirmed that pupil numbers are within the rangewhere no claw back would be expected. • Accrued / deferred income had been correctly provided where income is for a period other than the year ended 31 August. • Non-recurrent grant income and other material sources of income were agreed to offer letters and contracts to ensure correctly recognised in the period. • A sample of prepayments, accrued and deferred income have been tested to contracts or other relevant documentation. <p>No material issues have been noted re the recognition of income.</p>
2	Management override	<ul style="list-style-type: none"> • We have carried out tests of observation and enquiry and walkthrough tests of systems and controls, as well as checking the adherence to control procedures when carrying out substantive testing. • We reviewed the nominal ledger for large and unusual items including journal entries. • Accounting estimates, judgements and assumptions were reviewed. <p>No indication of management override of controls or manipulation of items in the financial statements was noted.</p>
3	Impact of COVID-19 on operations	<ul style="list-style-type: none"> • We reviewed expenditure during the lockdown period for compliance with financial regulations. • We discussed control and governance arrangements with management and trustees. • We tested COVID-19 income and expenditure. • We considered the effect on going concern. <p>No material issues have been noted regarding the impact of COVID-19 on the trust's governance and control arrangements and operations.</p>
4	Related parties	<ul style="list-style-type: none"> • Register of business Interests were reviewed to identify potential related parties. • Income and expenditure were scrutinised in comparison to declared interests. • Application of appropriate declarations and procedures for related party transactions were considered. • Board minutes were reviewed for any declared interests. <p>No significant non-compliance with procedures were noted.</p>

5.2 Matters identified during the fieldwork

Our work is not designed to test all internal controls or identify all areas of control weakness and should not be relied upon to disclose errors or irregularities which are not material in relation to the financial statements or regularity report. Our report relates only to those matters which came to our attention as part of our normal audit and assurance report procedures which are principally designed to enable us to form an audit opinion on the financial statements and an assurance opinion on regularity.

Grading structure

Priority	Classification
High	A high priority issue that must be addressed immediately
Medium	An important issue which should be addressed soon.
Low	Issues that relate to minor control deficiencies that should be addressed within an agreed timescale, or an advisory issue for consideration.

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5.2.1 Internal controls - Audit

1	Employment Contracts	
	<p>Observations</p> <ul style="list-style-type: none"> It was noted that signed contracts of employment were not available for all members of staff. Some of the contracts seen during our audit work were found to be unsigned. <p>Implications</p> <ul style="list-style-type: none"> It is a legal requirement that staff have written terms and conditions of employment. Terms and conditions of employment may be disputed leading to unnecessary legal costs in the future. 	<p>Recommendations</p> <ul style="list-style-type: none"> It should be ensured that personnel files are up to date and that each employee has a signed contract of employment <p>Priority: LOW</p>
	Management Response	Timescale: 31 December 2021
	<p>All appointments made in 2019/20 are ratified by signed contracts of employment. This point has been brought forward from previous years and we have made every effort to resolve it. We have reviewed each personnel file to identify what information was missing and made contact with the Local Authority to obtain the required information. The LA staff have been working from home since March 2020 due to Covid-19 and as a result haven't been able to provide us with the contractual documentation that we've asked for (and should have been provided as part of the TUPE process).</p>	

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5.2.2 Status of previous recommendations - Audit

1	Employment Contracts	
	<p>Observations</p> <ul style="list-style-type: none"> It was noted that signed contracts of employment were not available for all members of staff. <p>Implications</p> <ul style="list-style-type: none"> It is a legal requirement that staff have written terms and conditions of employment. Terms and conditions of employment may be disputed leading to unnecessary legal costs in the future. 	<p>Recommendations</p> <ul style="list-style-type: none"> It should be ensured that personnel files are up to date and that each employee has a signed contract of employment <p>Priority: LOW</p>
	Management Response	Timescale: December 2016
	<p>The Academy is still awaiting information from Doncaster MBC with regard to some catering and cleaning staff who were subject to The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE 2006). We will remind Doncaster MBC of their obligation in this regard.</p>	
	Update 2017	
	<p>There are no signed copies of contracts for employees previously employed by the Local Authority. Copies of the contracts have been seen and are letter headed by DMBC. The Trust has however copies of signed TUPE confirmation forms, from when employees transferred over from conversion. Signed contracts of new members of staff since February 2012 are kept by the Trust.</p>	
	Update 2018	
	No change	
	Update 2019	
	No change – Downgraded to low as the number of employees affected reduces	
	Update 2020	
	No change	
	Update 2021	
	No change – see 5.2.1 for comments	

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2	Fixed Asset Register	
	<p>Observations</p> <ul style="list-style-type: none"> It was noted that the fixed asset register had not been kept up to date in the year ended 31 August 2020. <p>Implications</p> <ul style="list-style-type: none"> This has resulted in full and accurate accounting records not being kept to support the annual accounts. This is not in compliance with Section 1.30 of the Academies Financial Handbook 'Ensuring the academy trust's property and assets are under the trustees' control and measures exist to prevent losses or misuse' and Section 4.1 of the Handbook- 'The academy trust must maintain adequate accounting records'. 	<p>Recommendations</p> <ul style="list-style-type: none"> It should be ensured that the fixed asset register is kept up to date and agrees with accounting records. <p>Priority: MEDIUM</p>
	Management Response	Timescale: 31 December 2020
	<p>The fixed asset register was fully up to date in June 2020 when our Finance Manager began a long-term absence, due to sickness. It was not further updated until year end as a direct consequence of her absence and workload capacity within the team. The register is now fully updated.</p>	
	Update 2021	
	<p>An up to date fixed asset register was provided for completion of the accounts and agreed with accounting records.</p>	

5.2.3 Issues and recommendations - Regularity

1	Members	
	<p>Observations</p> <ul style="list-style-type: none"> It was noted that the 4 out of the 6 members are also trustees. <p>Implications</p> <ul style="list-style-type: none"> This threatens the objectivity of the members and is not compliant with section 1.5 of the Academies Financial Handbook stating 'there should be significant separation between the individuals who are members and those who are trustees'. 	<p>Recommendations</p> <ul style="list-style-type: none"> It should be ensured that new members are elected so that the majority are non-trustees as advised in the Academies Financial Handbook. <p>Priority: MEDIUM</p>
	Management Response	Timescale: 31 December 2021
	<p>The Academy have appointed one Member in 2019/20 who is not a Trustee. Every effort was made to appoint a further Member, but the interview was postponed due to Covid-19. Whilst this does not fully meet the preferred situation of the Department, it does improve the range of perspectives and ensures members can take decisions via special resolutions without requiring unanimity. It also creates a degree of separation between the individual who is a Member and those who are Trustees.</p> <p>The Structure of members will continue to appear as an agenda item at Full Board meetings.</p>	

5.2.4 Status of previous recommendations - Regularity

1	Members	
	<p>Observations</p> <ul style="list-style-type: none"> The academy had only three members during the year and these members were also trustees. In addition, the changes during the year were not notified to Companies House within the Required time of 14 days from the date of change. <p>Implications</p> <ul style="list-style-type: none"> The Academies Financial Handbook (AFH) states that 'the Department's strong preference is for trusts to have at least five members as this provides a more diverse range of perspectives and ensures members can take decisions via special resolution without requiring unanimity.' The AFH also states that there should be a degree of separation between the individuals who are members and those who are trustees. The Department's strong preference is for a majority of members to be independent of the board of trustees. The trust did not fully comply with its filing obligations to Companies House. 	<p>Recommendations</p> <ul style="list-style-type: none"> We recommend the trust review the composition of its membership and trustees in accordance with the AFH guidelines. Submissions are made to Companies House within the required timeframe prescribed by Companies House. <p>Priority: MEDIUM</p>
	Management Response	Timescale: 31 December 2019
	<p>The Academy will look to appoint two additional Members, who will not be Trustees. Whilst this doesn't fully meet the preferred situation of the Department, it does go some way toward establishing a diverse range of perspectives and ensures members can take decisions via special resolutions without requiring unanimity. It will also create a degree of separation between the individuals who are members and those who are trustees. It is felt that completely changing the structure of the board of trustees and members at a time when we are considering our options in relation to becoming part of a MAT is not advisable at the current time.</p> <p>The Appointment of Additional Members will appear as an agenda item at the next Full Board meeting on 9 December 2019.</p>	
	Update 2020	
	<p>A new member was appointed on 18/06/20 and 2 further members were appointed on 06/07/20. 2 members served the full term and 1 member resigned on 20/11/20. The majority of members are trustees as noted in 5.2.3 above. For 2 new trustees, Companies House was not notified of the change within the required time of 14 days.</p>	
	Update 2021	
	<p>A new member was appointed on 6/01/2021 which results in 6 members of which 4 are trustees. The majority of members remain as trustees as noted in 5.2.3 above. Changes were notified to Companies House within the required time of 14 days.</p>	

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2	Purchase of Alcohol	
	<p>Observations</p> <ul style="list-style-type: none"> It was noted that alcohol was purchased during the year totalling £216.52 for reasons of hospitality and gifts. <p>Implications</p> <ul style="list-style-type: none"> This is irregular spending and poor use of funds and not in compliance with Section 5.5 of the Academies Financial Handbook relating to 'Novel, Contentious and Repercussive Transactions'. 	<p>Recommendations</p> <ul style="list-style-type: none"> It should be ensured that alcohol is not purchased by the academy in compliance with the Academies' Financial Handbook. <p>Priority: HIGH</p>
	Management Response	Timescale: 31 December 2019
	This point is duly noted and no alcohol regardless of the price will be purchased by the school in the future. This has been the case since the publication of the Academies Financial Handbook on 1 September 2020.	
	Update 2021	
	No alcohol has been purchased since the occurrence noted above.	

3	Declaration of Interest	
	<p>Observations</p> <ul style="list-style-type: none"> It was noted that for 2 trustees their declarations of interest were not published on the academy's website. <p>Implications</p> <ul style="list-style-type: none"> This threatens the transparency of the governing body and is not compliant with section 2.48 of the Academies Financial Handbook relating to 'Being transparent about your governance'. 	<p>Recommendations</p> <ul style="list-style-type: none"> it should be ensured that all declarations of interest forms are published on the website in compliance with the Academies' Financial Handbook. <p>Priority: MEDIUM</p>
	Management Response	Timescale: 31 December 2019
	These two trustees were technically appointed on 16 August 2020, although this wasn't ratified by the Full Board until 21 September 2020. Their appointment date fell in the schools' summer holidays and as such their Declaration of Interest forms were uploaded to the website retrospectively when school re opened.	
	Update 2021	
	All declarations of interest were published on the Academy's website as required.	

Appendix 1 – Surplus Deficit Reconciliation

Set out below are the identified audit misstatements and other items that have been adjusted in the financial statements, showing a reconciliation between the surplus/deficit per the trial balance presented for audit and that reported in the final draft of the financial statements.

	£'000
Surplus per academy trial balance	392
Depreciation charge adjustment	(796)
Loss on disposal of fixed assets	(14)
LGPS FRS102 adjustment – staff costs	(400)
LGPS FRS102 adjustment – actuarial gain	185
Movement in accrued income	95
Movement in stock	(2)
Movement in accruals	4
Additional creditors	(33)
Movement in debtors	(11)
Changes to capitalised items	196
Deficit per Statutory Financial Statements	<u>(384)</u>

Appendix 2 — Unadjusted misstatements

There are no unadjusted identified audit misstatements above the level of "clearly trivial".

Appendix 3 — Other findings from the audit

3.1 Views on significant qualitative aspects of accounting practice and financial reporting

Accounting policies

We have reviewed the accounting policies selected and operated. The academy trust has followed the standard policies common to most academy trusts and set out in the Academy Accounts Direction. No significant issues have been identified.

Accounting estimates and judgements

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the areas of judgement critical to the academy trust's financial statements are noted below.

Local Government Pension Scheme (LGPS)

Details of the major assumptions used by the actuary in his calculations are shown in the Pension and Similar Obligations note in the accounts.

We have considered these assumptions and judgements and no significant issues have been identified.

Going Concern

The trustees' assessment of going concern is set out in the Accounting Policies note in the accounts. We have considered this assessment and no significant issues have been identified.
Financial Statement Disclosures

We have nothing to report in respect of disclosures, as they are in line with the Academy Accounts Direction 2020/21.

3.2 Significant difficulties encountered during the audit

No significant difficulties were encountered during the audit.

3.3 Significant matters arising from the audit that were discussed, or subject to correspondence with management

No other matters noted.

3.4 Other matters significant to the oversight of the financial reporting process

No other matters noted.

Appendix 4 — Draft letter of representation — Audit

Allen, West and Foster Ltd
Chartered Accountants
Registered Auditors
Omega Court, 364-366 Cemetery Road
SHEFFIELD S11 8FT

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2021. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 16 April 2021 under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements are immaterial both individually and in total. In particular, we confirm that the financial statements should not be amended for the misstatements set out in Appendix 2 of your Audit Findings Report.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The academy trust has satisfactory title to all assets and there are no liens or encumbrances on

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the academy trust's assets, except for those that are disclosed in the notes to the financial statements.

- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 12 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

- 13 The academy trust has not granted any advances or credits to or made guarantees on behalf of directors other than those disclosed in the financial statements.

Legal claims

- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 16 Related party relationships and transactions comply with the academy trust's financial regulations, relevant requirements of the Academies Financial Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP 2019 and the relevant Academies Accounts Direction issued by the Education and Skills Funding Agency.

Subsequent events

- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 18 We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trust's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 19 Grants made by the Department of Education and Education & Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 20 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

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- 21 We confirm our previous request that the adjustments set out in appendix 1 of your Audit Findings Report be reflected in the financial statements.

Other matters

- 22 We specifically confirm that there are 20,847 books and 786 DVDs/videos held by the academy trust and that these should be included at a value of £10 for books and £5 for DVDs/videos in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully

D Westwood — Chair of Trustees

Signed on behalf of the board of trustees 6 December 2021

Appendix 4 — Draft letter of representation — Regularity

Allen, West and Foster Ltd
Chartered Accountants
Registered Auditors
Omega Court, 364-366 Cemetery Road
SHEFFIELD S11 8FT

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to Hall Cross Academy Trust and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2021. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

General

- 1 I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between Hall Cross Academy Trust and the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook 2020.
- 2 I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
- 3 I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academies Financial Handbook 2020 in performing this duty.
- 4 Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
- 5 Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
- 6 Full and free access has been granted to all the records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully

Accounting Officer — Mr S Swain

6 December 2021