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8 December 2022

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The Board of Trustees
Share Multi Academy Trust
Shelley College
Huddersfield Road
Shelley
Huddersfield
HD8 8NL

Dear Sirs

REPORT TO MANAGEMENT

During the course of our audit and regularity assurance engagements for the year ended 31 August 2022 a number of matters arose which we consider should be brought to your attention.

Accompanying this letter is a memorandum noting these points together with any recommendations we have for possible improvements which could be made.

These matters came to light during the course of our normal audit and assurance tests which are designed to assist us in forming our opinion on the financial statements and providing a limited assurance conclusion on regularity. Our tests may not necessarily disclose 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 and assurance tests, we would, of course, inform you immediately.

We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you in our audit planning memorandum dated 13 July 2022, have been properly addressed through appropriate safeguards. 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.

This report has been prepared for the sole use of the trustees of Share Multi Academy Trust. We understand that you are required to provide a copy of this report to the Education & Skills Funding Agency who may share this information internally within the Department for decision making purposes. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and will only be, granted on the basis that such reports are not prepared with the interests of anyone other than the academy in mind and that we accept no duty or responsibility to any other party. No responsibilities are accepted by BHP LLP towards any party acting or refraining from action as a result of this report.

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Finally, we would like to express our thanks to all members of the academy's staff who assisted us in carrying out our work.

Yours faithfully

BHP UP

BHP LLP

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 entity 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 as previously communicated to you in our audit planning memorandum dated 13 July 2022

Summary of significant audit findings

Significant risk area identified at planning	Findings, significance and recommendation	Management response / timetable for action
Management override of controls in order to perpetrate fraud by overriding controls.	No evidence of management override noted during audit testing.	No action needed.
Laws and regulations.	There were no instances of non-compliance of laws and regulations brought to our attention.	No action needed.
Material misstatement due to fraudulent financial reporting as a result of revenue recognition.	No evidence of misstatement in relation to revenue recognition has been noted during the course of the audit.	No action needed.

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 below are limited to those deficiencies that we have identified during the audit.

Control weakness identified and significance	Potential implications and recommendations	Management response/ timetable for action
<i>No control points were raised this year</i>		

Status of findings/recommendations from previous years

Audit issues communicated in last year’s audit findings report and our proposed approach to each of these areas, in light of development in the year are outlined below:

Findings/recommendations	Potential implications and recommendations	Status in current year
<p>It was noted that some purchases during the expenditure testing had not been raised in accordance with the scheme of delegation.</p> <p>As per the scheme of delegation, there should be two authorisers (Budget Holder and Headteacher) for purchases from the primary schools with an amount up to £9,999. However, we have noted for some invoices only the Budget Holder has authorised the purchases.</p>	<p>The risk related to not following this procedure is that the purchases may not be placed with the preferred supplier and may not be the best value for money.</p> <p>The recommendation is that the Scheme of Delegation is followed during the process of making a purchase or that the Scheme of Delegation is amended to reflect the true process which is followed presently.</p>	<p>No such issues have been noted during the August 2022 audit.</p>
<p>It was noted that the client had been deferring unspent funds at the year end instead of keeping them in reserves.</p>	<p>There is a risk that income and reserves are materially misstated in the accounts. Income is not being recognised in accordance with accounting standards.</p> <p>To not defer unspent funds at the year end and keep it sat in reserves carried forward. The only time income can be deferred is in the Academy cannot spent it until the next financial year.</p>	<p>Through testing of income and deferred income in the current year, the academy trust has not deferred all of the unspent funds.</p>

Audit report

We anticipate that we will issue an unmodified audit report for the year.

Regularity assurance engagement findings

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction 2021 to 2022 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The ESFA has no right by virtue of the regularity engagement to place reliance on our work and the opinion we form in respect of our statutory financial statements audit of the academy trust.

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 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:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the trusts internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

We anticipate that we will issue an unmodified regularity assurance report for the year.

Regularity issues brought to your attention in connection with the regularity assurance engagement are as follows:

Findings and significance	Potential implications/financial impact and recommendations	Management response/timetable for action
<i>No regularity issues found this year</i>		

Update on prior year’s regularity management letter points

Regularity issues communicated in last year’s management letter and our proposed approach to each of these areas in light of development in the year are outlined below:

Findings/recommendation	Potential implications/financial impact and recommendations	Status in current year
It was noted that the details of higher paid employees are not disclosed on the school website.	As per the Financial Handbook, it is noted that details of higher paid employees must be published on the website for all academy trusts. To review the Financial Handbook to ensure that all relevant information is on the school's website.	Details of higher paid employees were added to the Academy Trust website during last year’s audit. No issues have been noted during the August 2022 audit.