

T: +44 (0) 1642 221 331
F: +44 (0) 1642 218 515
W: www.baldwinsaccountants.co.uk

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Kilton Thorpe Specialist Academy
Marshall Drive
Brotton
Saltburn-by- the- Sea
TS12 2UW

Our ref: KIL0015NER

Your ref:

Date: 4 December 2018

Dear Trustees

Report to management

During the course of our audit and regularity assurance engagement for the period ended 31 August 2018 a number of minor 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.

This report has been prepared for the sole use of the trustees of Kilton Thorpe specialist Academy. We understand that you are required to provide a copy of this report to the Education and Skills Funding Agency. 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 Baldwins Audit Services towards any party acting or refraining from action as a result of this report.

We would be grateful if you could enter the academy's comments against each point under the "management response" column of the memorandum and return it to us in due course.

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



Baldwins Audit Services

Significant matters relevant to our audit and regularity assurance engagements for the period ended 31 August 2018

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 as previously communicated to you in our audit planning document.

Summary of significant audit findings

| Significant risk area identified at planning | Findings, significance and recommendations | Management response / timetable for action |
|--|---|--|
| Revenue recognition | We are satisfied that income is appropriately recognised in the financial statements | Noted |
| Management override | Our audit work did not highlight any evidence of attempts by management to override the financial controls | Noted |
| Fund accounting | Your finance team provided appropriate information that all fund have been accounted for in accordance with accounting guidelines with no material errors noted | Noted |
| Litigation risk | Our work did not highlight any significant risks | Noted |
| LGPS liability | We reviewed the assumptions made by the actuary (Aon Hewitt) and made appropriate enquiries. No significant issues were raised | Noted |
| Compliance with laws and regulations | We did not note any issues regarding the disclosure of transactions with connected parties | Noted |
| Sustainability and going concern | The trust has provided us with explanations to suggest that the going concern basis is appropriate in the financial statements | Noted |
| Financial statement disclosures | We have reviewed the financial statements with the management team at the trust and are satisfied that all appropriate disclosures have been made and they comply with the relevant reporting framework | Noted |

| Other areas where issues were identified during the audit | Findings, significance and recommendations | Management response / timetable for action |
|--|---|---|
| Finance handbook | The finance handbook is to be updated for income procedures | Ongoing |
| Website | A number of details require updating | Now complete |

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. We confirm that no material deficiencies were identified during the audit.

Update on prior year's management letter points

There were no management letter points from last year to consider for this year's report.

Anticipated audit report

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

Regularity assurance engagement findings

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Whitfield', written in a cursive style.

Ian Whitfield BA FCA
Partner