

**PRIVATE AND CONFIDENTIAL**

North East Sheffield Trust  
Chapelton Road  
Sheffield  
South Yorkshire  
S35 9WD

Our Ref: MMc/AL/EF/E47703

Your Ref:

To the Board of North East Sheffield Trust

The purpose of this document is to bring to your attention the findings from the recent audit carried out for the period ended 31 August 2017. Because of previous discussions undertaken during the audit, we appreciate that you will already be aware of the majority of the matters contained in this document. However, this also covers information which we are required by Auditing Standards to formally communicate to you.

This document has been drafted solely to report to you as trustees on matters in relation to our audit. We understand that you are required to provide a copy of this report to the Education and Skills Funding Agency (ESFA). With the exception of the ESFA, this report has not been drafted with any third parties in mind and thus must not be disclosed to a third party, or quoted or referred to, without our prior written consent. We do not accept responsibility to any third party in respect of our audit or this report.

We would like to take this opportunity to thank you for the assistance provided to us during the course of our audit.



**Martin McDonagh**  
**For and on behalf of Hart Shaw LLP**  
**5 December 2017**

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## **1. Audit approach together with any key issues which have arisen**

### **Audit approach**

Our approach has been to assess your attitude to risk, and to assess the possibility of material misstatements in the financial statements due to both error and fraud. We have then designed tests to mitigate the risk of potential misstatements to an acceptable level. There have been no limitations in the scope of our audit.

### **Accounting policies**

You have confirmed that:

- you have identified the significant accounting policies that you consider to be appropriate to the circumstances of the academy which have been consistently applied; and
- there have been no changes in the significant accounting policies and practices that have a material effect on the financial statements.

Our audit has not identified any material departures from the significant accounting policies and practices.

### **Accounting estimates**

You have identified the significant accounting estimates and have used history where possible in order to verify the reasonableness of the estimates made. We confirm that these estimates are appropriate and reasonable.

### **Material risks and exposure**

There are no such matters that required disclosure in the financial statements.

### **Financial statement disclosure**

We have not identified any matters during the audit which suggest that disclosures in the financial statements have not been made as required and have been made with neutrality, consistency and clarity.

**Issues identified at the planning stage and during the course of the audit**

Issues which were identified at the planning stage were as follows:

<b>Issue identified</b>	<b>Outcome</b>
Ecclesfield School is to transfer to a MAT post year end and, as such, the academy trust will cease operations and is therefore not a going concern for accounting purposes.	<p>The academy trust's financial statements have been prepared on a basis other than a going concern basis (in accordance with ESFA guidelines).</p> <p>The disclosures within the accounting policies note have been reviewed to ensure they provide sufficient disclosure of this fact.</p> <p>We have included an emphasis of matter in the audit report to draw the users' attention to this fact.</p>

No additional issues came to light during the course of the audit.

**Expected modifications to the auditors' report**

We have completed our audit, subject to the following outstanding matters:

- approval of the financial statements and letters of representation;
- completion procedures including our review of subsequent events and the approved financial statements.

Subject to the satisfactory resolution of these matters, the finalisation of the financial statements and their approval by the trustees we do not expect there to be any modifications to the auditors' report. As noted above, we have included an 'emphasis of matter' paragraph, but our audit report is not modified in this respect.

**2. Adjustments made to the original financial statements**

There are no adjustments to the final version of the financial statements provided.

**3. Potential adjustments**

No potential adjustments were identified during the course of our audit.

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#### **4. Suggestions for improvements in the accounting and internal control systems identified during the audit**

Our audit has been conducted on a test basis and thus we are unable to provide a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

There are no suggestions that we have made regarding the accounting systems. We have not identified any regularity issues during the course of our audit.

#### **5. Other information required to be reported under International Standard on Auditing (UK and Ireland) 260**

##### **Responsibilities**

We, as auditors, are responsible for forming and expressing an opinion on the financial statements that have been prepared by you as management. The audit of the financial statements does not relieve you of your responsibilities as trustees which are set out in the letter of engagement.

##### **Other information relevant to the audit**

Our audit has been conducted on a test basis and thus we are unable to provide a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

#### **6. Information in relation to the following period's audit**

##### **Independence**

We can confirm that we have re-evaluated our firm's independence in connection with next year's audit and can confirm that we are not aware of any factors affecting our independence or objectivity and thus our ability to continue to act as auditor of the academy.

##### **Audit approach**

Our approach will be to assess your attitude to risk, and to assess the possibility of material misstatements in the financial statements due to both error and fraud. We will design tests to mitigate the risk of potential misstatements to an acceptable level. We do not envisage that there will be a significant change in our audit approach next year.