

The Board
Acer Learning Trust
Holley Park Academy
Ayton Road
Washington
NE38 0LR

Our Ref: BAL/MB/08521

Date: 12 December 2019

CC Education & Skills Funding Agency

Dear Sirs,

Acer Learning Trust
Year Ended 31 August 2019

In accordance with recommended practice, we are writing to draw to your attention to the various matters which have arisen during the course of our audit of the company's financial statements for the year ended 31 August 2019.

(a) Auditors' report

There are no expected modifications to the auditor's report.

(b) Accounting adjustments

A schedule of all accounting adjustments which have been discussed during the audit field work and which have been agreed to be adjusted within your financial statements is attached to this letter at Appendix 4.

We have identified the unadjusted misstatements during the course of our audit, as attached to this letter in Appendix 5.

(c) Significant weaknesses in your accounting and internal control systems

Our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements. During our audit we identified no control deficiencies that require reporting to the trustees. This is been reported within Appendix 1.

We have reviewed the control deficiencies identified during the audit performed for the year ended 31 August 2018 as part of our work. Of these control deficiencies brought forward, three remain that were not resolved within the year. This has been reported within Appendix 3.

The control deficiencies brought forward are summarised as:

Red / High	Amber / Medium	Green / Low	Total
0	2	1	3

In making our recommendations, we have considered the Academy Trust's circumstances. Please let us know what steps have been taken in connection with weaknesses we have identified and if you need any assistance in this respect.



(d) Suitability of your accounting practices and financial reporting

We believe that your accounting records are appropriate for your financial reporting purposes.

(e) Other relevant matters relating to the audit and other matters required by Auditing Standards to be communicated

The following are matters that we are required by auditing standards to communicate to you :-

As part of the audit planning process, we identify any potential risks to our independence as auditors and document the safeguards we adopt to fully mitigate any such risks. We have considered these risks, which are included in the appendix attached and confirm that the safeguards adopted as satisfactory.

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit.

Please note that this report has been prepared for the sole use of Acer Learning Trust. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

If we can be of any further assistance please do not hesitate to contact Brian Laidlaw or Marc Breeze.

Yours faithfully,

MHA Tait Walker

MHA Tait Walker
Chartered Accountants &
Statutory Auditor



We did not identify any weaknesses in the accounting and internal control system.



Potential Independence Risks	Safeguards
Assisting with the preparation of the financial statements	<p>The statutory accounts are prepared by a qualified member of staff from the clients' management figures and trial balance and are reviewed by the manager. These provide the basis for the audit work.</p> <p>There are not normally any contentious disclosure issues; however where these arise the relevant notes are approved by the trustees prior to the draft accounts being submitted to the board</p>
Undertaking the supplementary procedures reviews for the academy	<p>We assist you with the supplementary procedures reviews on internal processes and procedures. Our findings are reported to the board to review and decide upon any amendments to processes they wish to make or update.</p>
Undertaking teachers' pensions end of year certification	<p>We provide certification of the contributions made to the Teachers' Pension Scheme during the year ended 31 March 2019. The results of our finding are reported to management and the Teachers' Pension Scheme, with any proposed adjustment being discussed and approved by management prior to the certification being submitted.</p>
Preparation and audit of the ESFA accounts return for the period ending 31st August 2019	<p>The accounts return is prepared from the audited financial statements approved by the board of trustees'. Any additional information required is obtained from management.</p> <p>The return is reviewed by the Audit Manager and Partner as well the trust's management prior to the return being submitted to the ESFA.</p>
Assisting with the iXBRL tagging of accounts for submission to HMRC	<p>As required from time to time, we assist with the iXBRL tagging of the accounts for submission to HMRC with the Corporation Tax Return.</p> <p>There are not normally any contentious issues. In the event of the trial balance including client specific nominal accounts, resulting in a choice of where this is tagged in the accounts submitted to HMRC, the final adjustments are approved by the management team who are sufficiently knowledgeable to understand the full implications.</p>
Assisting with the preparation of the taxation computations	<p>Routine tax compliance work rarely produces any contentious issues. Any additional advice is always discussed and agreed with your management team who are sufficiently knowledgeable to understand the full implications.</p>



Rating	Amber / Medium
Area	Purchase Order
Observation	We selected a sample of 9 purchases and noted that although purchase orders were raised for all purchase invoices, they were raised on or after the date of the invoice. Therefore the academy trust cannot confirm that the expense was approved before being submitted.
Possible Consequences	The Academy trust has not complied with the requirements of its Financial Procedures Manual which require a purchase order to be raised for all items of expenditure before the expenditure was incurred. There is no evidence held to show that the expenditure incurred was appropriately authorised.
Suggested Improvements	The Academy trust should ensure that purchase orders are completed for all items of expenditure prior to any expenditure being incurred, in order to comply with the requirements of the Financial Procedures Manual.
Benefit of Control	The Academy trust fully complies with the requirements of the Academies Financial Handbook.
Management Response	Wherever possible, we will raise a purchase order which we know we require in advance. However, there may be some occasions where this is not possible.
Agreed Timescale	Immediate.

Rating	Amber / Medium
Area	Register of interests on the academy trust website
Observation	We noted that the academy trust's website and did not contain details of the business and pecuniary interests of all members, trustees, governors and key management personnel.
Possible Consequences	The academy trust has not complied with the ESFA requirement to include an up to date register of business and pecuniary interests on the Academy Trust's website.
Suggested Improvements	The academy trust should ensure that the website contains details of the business and pecuniary interest of all members, trustees and key management personnel.
Benefit of Control	The academy trust fully complies with the requirements of the Academies Financial Handbook.
Management Response	We will amend this.
Agreed Timescale	Immediate.



Rating	Green / Low
Area	Fixed Asset Register
Observation	<p>Per the financial handbook, it is stated that the fixed asset register should include the following details:</p> <ul style="list-style-type: none"> - asset description - asset number (not included) - serial number (not included) - date of acquisition - asset cost - source of funding (not included) - expected useful life - depreciation - current book value - location (not included) - name of member of staff responsible for the asset (not included) <p>From the above, it can be noted that several details are missing from the fixed asset register.</p>
Possible Consequences	The fixed asset register is not compliant with the financial handbook.
Suggested Improvements	The fixed asset register should be updated to reflect the level of information required per the financial handbook. Alternatively, the academy trust may wish to consider whether the level of detailed currently required by the Financial Procedures Manual is practicable and update the manual accordingly.
Benefit of Control	The academy trust fully complies with the requirements of the Academies Financial Handbook.
Management Response	We will amend the Financial Procedures Manual to reflect the needs of the Trust.
Agreed Timescale	Immediate.

Acer Learning Trust
 Year ended 31 August 2019
 Appendix 4 – Adjusted Misstatements

	Profit and loss	Balance sheet	Comments
	Debit/(credit)	Debit/(credit)	
	£	£	
Income	(6,657)		
Expenditure	92		
Other Creditors		481	Being to correct opening reserves to agree to signed 2018 accounts.
Reserves		6084	
Expenditure	75,000		
Actuarial (gains)/losses	214,000		
Pension Liability		(289,000)	Being to account for pension scheme movement
Total	282,435	(282,435)	



Acer Learning Trust
 Year ended 31 August 2019
 Appendix 5 – Unadjusted Misstatements

	Profit and loss	Balance sheet	Comments
	Debit/(credit)	Debit/(credit)	
	£	£	
Expenditure	8,400		
Accrued expenses		(8,400)	Being to provide for post year end settlement of employment tribunal.
Total	8,400	(8,400)	

