

The Governors  
Darrington Church of England Primary School  
Denby Crest  
Darrington  
Pontefract  
West Yorkshire  
WF8 3SB

30 November 2022

Dear Sirs/Madam,

In accordance with our normal practice, we are writing to draw your attention to various matters, which arose during our audit of the academy's accounts for the year ended 31 August 2022.

## **Audit approach and areas covered**

The purpose of the audit was to enable us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of internal control.

The matters reported below are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

## **Qualitative aspects of the academy's practices and financial reporting**

We have no comments to make concerning the qualitative aspects of the academy's accounting practices and financial reporting.

## **Significant difficulties**

We did not encounter any significant difficulties during the audit and there are no significant findings from the audit to draw to your attention.

## **Adjusted and unadjusted misstatements**

All misstatements determined during our audit have been adjusted for, except for those considered to be clearly trivial.

For your information, we also attach a schedule of adjustments that you agreed should be processed when finalising the accounts.

**Expected modifications to the auditors' report**

There are no expected modifications to the auditors' report.

**Material weaknesses in the accounting and internal control systems**

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts. Appendix I to this letter contains details of actual and potential weaknesses identified during our audit and our recommendations for improvements. It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.

In making our recommendations, we have considered the size of your academy and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.

We have also included a summary of the status of our recommendations from the previous year's audit at Appendix II.

**Other matters required by Auditing Standards to be communicated**

There are no other matters that we are required by auditing standards to communicate to you.

**Other relevant matters relating to the audit**

We have discussed with you the fact that we provide additional services to the academy in addition to acting as auditors. We wish to confirm to you that in our opinion the provision of such services does not affect our independence as:

- (i) The additional services provided are of a routine compliance nature and the Board of Governors takes any decisions where judgement is required.

**Report on regularity**

There were no matters arising from our report on regularity.

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

# Paylings

CHARTERED ACCOUNTANTS

Please note that this report has been prepared for the sole use of Darrington Church of England Primary School. 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 contact Seema Sugrim.

Yours faithfully

PAYLINGS

## APPENDIX I

### Matters arising from the audit of the financial statements for 2022.

|          | <b>Issue</b>   | <b>Implication/<br/>consequence</b>  | <b>Recommendation</b>  | <b>Management<br/>response</b>   |
|----------|--|--|--|--|
| <b>1</b> | Incorrect postings of accruals and prepayments in the year.                        | Misstatements relating to expenditure reported within the accounting records.        | Implement a balance sheet reconciliation exercise to ensure prepayments and accruals agree between calculations and accounting records at reporting dates. | To work with Accountants to implement the recommendation of a balance sheet reconciliation exercise.   |
| <b>2</b> | HCSS year-ending process not reporting appropriately or as intended by management. | HCSS year-ending process not reporting appropriately or as intended by management.   | We recommend appropriate training and support is sourced from software provider (HCSS) to ensure opening balance issue is resolved.                        | Additional ledger codes have now been created to allow opening balances for Debtors/Creditors do not affect the year end close down process. |
| <b>3</b> | HCSS system is showing old balances that are no longer appropriate.                | Bank and trade creditors amount per trial balance did not agree to relevant reports. | As above.  | Discussed with software provider and in agreement with Accountants to complete an exercise to remove old balances.                           |

## APPENDIX II

**Status update on audit recommendations made in prior year. (Year ended 31 August 2021)**

|          | <b>Issue</b>   | <b>Implication/<br/>consequence</b>                     | <b>Recommendation</b>  | <b>Management<br/>response</b>                 |
|----------|--|---|--|--|
| <b>1</b> | Income/expenses posted incorrectly.                                | Trial balance/management accounts reporting inaccurate. | Monthly reviews on nominal ledger should be carried out to detect mispostings.                                     | No such issue identified in 2022.              |
| <b>2</b> | Accruals/Prepayments calculated incorrectly.                       | Under/over statement of expenditure.                    | Ensure accruals/prepayments calculation agreed to invoice (net of invoice amounts/correct period)                  | Recurring issue in 2022.                       |
| <b>3</b> | Reversal of opening balance journals for accruals and prepayments. | Trial balance/management accounts reporting inaccurate. | Accruals and prepayments should be reversed for the prior year as per Paylings and to corresponding nominal codes. | Recurring issue in 2022.                       |
| <b>4</b> | VAT not being claimed in a timely manner.                          | Cash flow for the academy.                              | VAT should be claimed at least on a quarterly basis.   | Vat balances an outstanding matter to resolve. |

## Matters arising from the report on regularity – 2022 & 2021 status update

|   | <b>Issue</b>     | <b>Implication/<br/>consequence</b> | <b>Recommendation</b> |
|---|------------------|-------------------------------------|-----------------------|
| 1 | Nothing to note. |                                     |                       |

## Journals posted

| No | Nominal | Details                               | DR     | CR     |
|----|---------|---------------------------------------|--------|--------|
| 1  | 9600    | Accruals                              | 12,657 |        |
|    | 5150    | Audit/Accountancy Services Fees       |        | 19,425 |
|    | 9400    | Bank - Darrington Primary Current Acc |        | 2,333  |
|    | 5000    | Catering Food/Drink                   |        | 556    |
|    | 3110    | Cleaning Materials                    |        | 17     |
|    | 9605    | Deferred Income                       | 12,224 |        |
|    | 3210    | Electricity                           | 788    |        |
|    | 1160    | Extended Schools Income               | 185    |        |
|    | 9025    | Furniture & Equipment Accum Dep'n     | 3,106  |        |
|    | 9020    | Furniture & Equipment at Cost         |        | 8,814  |
|    | 7005    | Furniture & Equipment Depreciation    |        | 3,106  |
|    | 5200    | Furniture/Equipment                   |        | 235    |
|    | 1005    | GAG - Free School Meals               |        | 11,023 |
|    | 1035    | GAG - Mainstreamed Grants             | 17     |        |
|    | 1055    | GAG - Other GAG                       | 6,388  |        |
|    | 1050    | GAG - Pupil Premium                   | 1,009  |        |
|    | 1000    | GAG - School Budget Share (excl FSM)  |        | 38,905 |
|    | 3205    | Gas                                   | 63     |        |
|    | 5145    | General Office Costs                  |        | 8      |
|    | 4010    | General school resources              |        | 840    |
|    | 3010    | Grounds Maintenance                   |        | 1,679  |
|    | 3260    | Insurance                             | 8,268  |        |
|    | 5325    | IT Broadband/Line Rentals             | 2,506  |        |

|  |      |   |        |         |
|--|------|---|--------|---------|
|  | 5300 | IT Equipment - Non-Educational          | 575    |         |
|  | 4155 | IT Hardware - Educational               | 8,239  |         |
|  | 5305 | IT Licensing/Software - Non-Educational |        | 385     |
|  | 4156 | IT Software/Licences - Educational      | 181    |         |
|  | 9005 | Land & Buildings Accum Dep'n            | 32,991 |         |
|  | 9000 | Land & Buildings Cost B/fwd             |        | 9,100   |
|  | 7000 | Land & Buildings Depreciation           |        | 32,991  |
|  | 9535 | LGPS Control                            | 674    |         |
|  | 9750 | LGPS Pension Deficit                    |        | 63,000  |
|  | 9750 | LGPS Pension Deficit                    | 35,000 |         |
|  | 9750 | LGPS Pension Deficit                    | 28,000 |         |
|  | 9830 | LGPS Pension Reserve                    |        | 353,000 |
|  | 9525 | Net Wages Control                       | 11,702 |         |
|  | 1080 | Other Govt Grants: excluding Capital    | 22,005 |         |
|  | 1090 | Other Income: not for capital purposes  | 142    |         |
|  | 1090 | Other Income: not for capital purposes  |        | 1,034   |
|  | 1090 | Other Income: not for capital purposes  | 8,160  |         |
|  | 9550 | PAYE/NI Control                         | 434    |         |
|  | 5120 | Photocopier Lease                       |        | 325     |
|  | 5115 | Postage                                 |        | 30      |
|  | 9320 | Prepayments                             |        | 10,717  |
|  | 5140 | Professional Services                   | 15,268 |         |
|  | 9500 | Purchase Ledger Control                 |        | 13,477  |
|  | 3005 | Repairs & Maintenance                   | 2,334  |         |
|  | 9840 | Restricted Fixed Asset Fund             |        | 34,313  |



|          |      |   |         |           |
|----------|------|---|---------|-----------|
|          | 9300 | Sales Ledger Control  | 497     |           |
|          | 1210 | Sales of Goods and Services                                   | 86      |           |
|          | 9200 | Stock of goods  |         | 220       |
|          | 5125 | Subscriptions - Admin   | 8       |           |
|          | 9311 | Sundry Debtors  | 218     |           |
|          | 9900 | Surplus / (Deficit) For The Year                              | 360,802 |           |
|          | 2000 | Teachers - Salaries/Allowances                                | 4,000   |           |
|          | 9530 | Teachers Pension Control                                      | 688     |           |
|          | 1130 | Trip Income   | 364     |           |
|          | 9820 | Unrestricted General Funds                                    | 26,511  |           |
|          | 9520 | VAT Control   |         | 523       |
|          | 3200 | Water/Sewerage Charges  |         | 32        |
|          |      | <i>Reversing 'opening balance journal as per accountants'</i> |         |           |
|          |      |   |         |           |
| <b>2</b> | 9600 | Accruals  | 4,752   |           |
|          | 9400 | Bank - Darrington Primary Current Acc                         |         | 122,719   |
|          | 9605 | Deferred Income   | 23,446  |           |
|          | 9025 | Furniture & Equipment Accum Dep'n                             | 51,322  |           |
|          | 9020 | Furniture & Equipment at Cost                                 |         | 58,796    |
|          | 9005 | Land & Buildings Accum Dep'n                                  | 150,453 |           |
|          | 9000 | Land & Buildings Cost B/fwd                                   |         | 1,605,489 |
|          | 9535 | LGPS Control  | 3,289   |           |
|          | 9750 | LGPS Pension Deficit  | 642,000 |           |
|          | 9830 | LGPS Pension Reserve  |         | 289,000   |
|          | 9525 | Net Wages Control   |         | 11,702    |
|          | 9550 | PAYE/NI Control   | 6,696   |           |

|          |      |                                       |           |           |
|----------|------|---------------------------------------|-----------|-----------|
|          | 9320 | Prepayments                           |           | 4,106     |
|          | 9500 | Purchase Ledger Control               | 67,267    |           |
|          | 9840 | Restricted Fixed Asset Fund           | 1,496,823 |           |
|          | 9300 | Sales Ledger Control                  |           | 10,340    |
|          | 9311 | Sundry Debtors                        |           | 218       |
|          | 9900 | Surplus / (Deficit) For The Year      |           | 441,471   |
|          | 9530 | Teachers Pension Control              | 5,718     |           |
|          | 9820 | Unrestricted General Funds            | 139,284   |           |
|          | 9520 | VAT Control                           |           | 47,210    |
|          |      | <i>Reversing 'Run year end 2020'</i>  |           |           |
| <b>3</b> | 9000 | Land & Buildings Cost B/fwd           | 1,614,589 |           |
|          | 9005 | Land & Buildings Accum Dep'n          |           | 183,444   |
|          | 9020 | Furniture & Equipment at Cost         | 67,610    |           |
|          | 9025 | Furniture & Equipment Accum Dep'n     |           | 54,428    |
|          | 9820 | Unrestricted General Funds            |           | 165,795   |
|          | 9840 | Restricted Fixed Asset Fund           |           | 1,462,510 |
|          | 9300 | Sales Ledger Control                  | 100       |           |
|          | 9320 | Prepayments                           | 14,823    |           |
|          | 9520 | VAT Control                           | 47,649    |           |
|          | 9400 | Bank - Darrington Primary Current Acc | 125,052   |           |
|          | 9500 | Purchase Ledger Control               |           | 14,977    |
|          | 9530 | Teachers Pension Control              |           | 6,406     |
|          | 9535 | LGPS Control                          |           | 3,963     |
|          | 9550 | PAYE/NI Control                       |           | 7,129     |
|          | 9600 | Accruals                              |           | 17,409    |

|          |      |  |         |         |
|----------|------|--|---------|---------|
|          | 9605 | Deferred Income  |         | 35,670  |
|          | 9200 | Stock of goods   | 220     |         |
|          | 9750 | LGPS Pension Deficit   |         | 670,000 |
|          | 9830 | LGPS Pension Reserve   | 642,000 |         |
|          | 9900 | Surplus / (Deficit) For The Year                                   | 109,689 |         |
|          |      | <i>Raising 2021 audit closing balances.</i>                        |         |         |
| <b>4</b> | 9320 | Prepayments  |         | 14,823  |
|          | 4156 | IT Software/Licences - Educational                                 | 3,225   |         |
|          | 3010 | Grounds Maintenance  | 991     |         |
|          | 3005 | Repairs & Maintenance  | 96      |         |
|          | 5305 | IT Licensing/Software - Non-Educational                            | 1,568   |         |
|          | 5140 | Professional Services  | 3,824   |         |
|          | 3260 | Insurance  | 2,909   |         |
|          | 5325 | IT Broadband/Line Rentals  | 2,210   |         |
|          |      | <i>Reverse prepayments opening balances.</i>                       |         |         |
| <b>5</b> | 9320 | Prepayments  | 14,313  |         |
|          | 5325 | IT Broadband/Line Rentals  |         | 2,578   |
|          | 5305 | IT Licensing/Software - Non-Educational                            |         | 317     |
|          | 5140 | Professional Services  |         | 5,134   |
|          | 4156 | IT Software/Licences - Educational                                 |         | 2,827   |
|          | 4010 | General school resources   |         | 1,068   |
|          | 3260 | Insurance  |         | 2,318   |
|          | 3005 | Repairs & Maintenance  |         | 71      |
|          |      | <i>Reversing prepayments posted as a credit balance by client.</i> |         |         |

|           |      |  |        |        |
|-----------|------|--|--------|--------|
|           |      |  |        |        |
| <b>6</b>  | 9320 | Prepayments                              | 16,313 |        |
|           | 5325 | IT Broadband/Line Rentals                |        | 2,578  |
|           | 5305 | IT Licensing/Software - Non-Educational  |        | 317    |
|           | 5140 | Professional Services                    |        | 5,134  |
|           | 4156 | IT Software/Licences - Educational       |        | 2,827  |
|           | 4010 | General school resources                 |        | 1,068  |
|           | 3260 | Insurance                                |        | 2,318  |
|           | 3005 | Repairs & Maintenance                    |        | 71     |
|           | 4010 | General school resources                 |        | 2,000  |
|           |      | <i>Posting 2022 prepayments.</i>         |        |        |
|           |      |  |        |        |
| <b>7</b>  | 9200 | Stock                                    |        | 210    |
|           | 4005 | Books                                    | 210    |        |
|           |      | <i>Adjusting stock balance.</i>          |        |        |
|           |      |  |        |        |
| <b>8</b>  | 9020 | Furniture & Equipment at Cost            | 1,539  |        |
|           | 4155 | IT Hardware - Educational                |        | 1,539  |
|           |      | <i>Additional asset posted.</i>          |        |        |
|           |      |  |        |        |
| <b>9</b>  | 9005 | Land & Buildings Depreciation            |        | 33,353 |
|           | 9025 | Fixtures & Fittings Depreciation         |        | 6,348  |
|           | 7000 | Land and buildings depreciation          | 33,353 |        |
|           | 7005 | Furniture and equipment depreciation     | 6,348  |        |
|           |      | <i>Depreciation charge for the year.</i> |        |        |
|           |      |  |        |        |
| <b>10</b> | 9400 | Bank                                     |        | 17,498 |
|           | 9535 | LGPS AUG 21                              | 3,963  |        |
|           | 9550 | HMRC Total payment for Aug 21            | 7,129  |        |

|           |      |  |        |        |
|-----------|------|--|--------|--------|
|           | 9530 | Teachers Pension Aug 21  | 6,406  |        |
|           |      | <i>Reverse opening balances.</i>                                   |        |        |
| <b>11</b> | 9525 | Net Wages Control  | 17,734 |        |
|           | 9535 | LGPS AUG 22  |        | 3,931  |
|           | 9550 | HMRC Total payment for Aug 22                                      |        | 7,311  |
|           | 9530 | Teachers Pension Aug 22  |        | 6,492  |
|           |      | <i>Raising current liability due at year end.</i>                  |        |        |
| <b>12</b> | 9600 | Accruals   | 17,409 |        |
|           | 5000 | Catering Food/Drink  |        | 556    |
|           | 3200 | Water/Sewerage Charges   |        | 466    |
|           | 5140 | Professional Services  |        | 8,638  |
|           | 5150 | Audit fees   |        | 7,750  |
|           |      | <i>Reverse accruals opening balances.</i>                          |        |        |
| <b>13</b> | 9600 | Accruals   |        | 10,000 |
|           | 5150 | Audit fees   | 10,000 |        |
|           |      | <i>Reversing current year accrual posted as a debit by client.</i> |        |        |
| <b>14</b> | 9600 | Accruals   |        | 9,118  |
|           | 5150 | Audit fees   | 8,150  |        |
|           | 6006 | External Agency Supply Staff                                       | 330    |        |
|           | 5140 | Professional Services  | 88     |        |
|           | 5150 | Audit/Accountancy Services Fees                                    | 550    |        |
|           |      | <i>Raising current year accruals.</i>                              |        |        |
| <b>15</b> | 9600 | Accruals   | 330    |        |

|           |      |  |        |        |
|-----------|------|--|--------|--------|
|           | 6006 | External Agency Supply Staff   |        | 330    |
|           |      | <i>Reversing accrual already in creditors.</i>   |        |        |
| <b>16</b> | 2200 | Education Support Staff - Salaries   | 3,266  |        |
|           | 2210 | Education Support Staff - Supn   | 624    |        |
|           | 9600 | Accruals   |        | 3,889  |
|           |      | <i>Employee underpaid for 12 months, adjusting estimated figure as agreed with client.</i> |        |        |
| <b>17</b> | 2200 | Education Support Staff - Salaries   | 7,724  |        |
|           | 2210 | Education Support Staff - Supn   | 572    |        |
|           | 9600 | Accruals   |        | 8,296  |
|           |      | <i>Raising the support staff accrual for pay increase.</i>                                 |        |        |
| <b>18</b> | 9500 | Purchase ledger control  |        | 1,180  |
|           | 9400 | Bank   | 1,180  |        |
|           |      | <i>Reverse current year creditor debit balance.</i>  |        |        |
| <b>19</b> | 9500 | Purchase ledger control  | 14,977 |        |
|           | 9400 | Bank   |        | 14,977 |
|           |      | <i>Reverse audit opening balances.</i>   |        |        |
| <b>20</b> | 9400 | Bank   | 17,248 |        |
|           | 9500 | Purchase ledger control  |        | 17,248 |
|           |      | <i>Current year trade creditors transferred from bank.</i>                                 |        |        |
| <b>21</b> | 9300 | Sales Ledger Control   | 265    |        |
|           | 5165 | School Lunch income  |        | 183    |

|           |      |  |         |         |
|-----------|------|--|---------|---------|
|           | 9900 | Surplus  |         | 83      |
|           |      | <i>Bring in current year debtor balance and write off old balance.</i> |         |         |
| <b>22</b> | 9605 | Deferred Income  | 35,670  |         |
|           | 1005 | GAG - Free School Meals  |         | 11,023  |
|           | 1095 | Academies Capital Maintenance Fund                                     |         | 12,998  |
|           | 1050 | GAG - Pupil Premium  |         | 3,028   |
|           | 1055 | GAG - Other GAG  |         | 8,621   |
|           |      | <i>Reverse deferred income opening balances.</i>                       |         |         |
| <b>23</b> | 9605 | Deferred Income  |         | 16,492  |
|           | 1050 | GAG - Pupil Premium  | 5,540   |         |
|           | 1005 | GAG - Free School Meals  | 10,952  |         |
|           |      | <i>Current year deferred income.</i>                                   |         |         |
| <b>24</b> | 9900 | Surplus  | 3,004   |         |
|           | 9520 | VAT  |         | 3,004   |
|           |      | <i>To write off unknown difference on current year vat.</i>            |         |         |
| <b>25</b> | 9900 | Surplus  |         | 28,000  |
|           | 9830 | LGPS Pension Reserve   | 28,000  |         |
|           |      | <i>Bringing in prior year pension movement.</i>                        |         |         |
| <b>26</b> | 9750 | LGPS Pension Deficit   | 574,000 |         |
|           | P&L  | Pension Expense - Staff Costs  | 63,000  |         |
|           | P&L  | Pension Expense - Other costs  | 11,000  |         |
|           | P&L  | Actuarial gain   |         | 648,000 |
|           |      | <i>Current year pension movement.</i>                                  |         |         |

|           |      |   |                  |                  |
|-----------|------|---|------------------|------------------|
|           |      |   |                  |                  |
| <b>27</b> | 9840 | Restricted Fixed Asset Fund                     | 18,183           |                  |
|           | 9900 | Surplus / (Deficit) For The Year                |                  | 18,183           |
|           |      | <i>Movement in funds.</i>                       |                  |                  |
|           |      |   |                  |                  |
| <b>28</b> | 9400 | Bank  | 999              |                  |
|           | 9900 | Surplus   |                  | 999              |
|           |      | <i>Bank difference written off to reserves.</i> |                  |                  |
|           |      |   |                  |                  |
| <b>29</b> | 9820 | Unrestricted General Funds                      | 65,429           |                  |
|           | 9900 | Surplus / (Deficit) For The Year                |                  | 65,429           |
|           |      | <i>Movement to unrestricted general funds.</i>  |                  |                  |
|           |      |   |                  |                  |
| <b>30</b> | 9820 | Unrestricted General Funds                      |                  | 1,922            |
|           | 6006 | External Agency Supply Staff                    | 1,922            |                  |
|           |      | <i>Unknown difference written off.</i>          |                  |                  |
|           |      |   |                  |                  |
|           |      |   | <b>6,774,062</b> | <b>6,774,062</b> |