

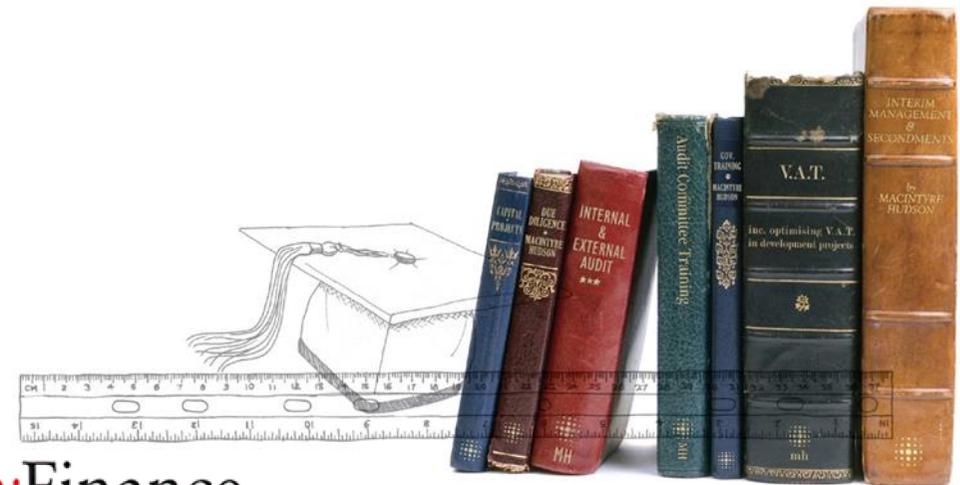
Audit Findings Management Letter

Prepared for

Tove Learning Trust

Audit for the year ended 31 August 2017

Presented to the Trustees on 4 December 2017



**Baker Tilly International
Network of the Year**



International Accounting Bulletin and
The Accountant Awards 2016

Charity Finance

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1 Introduction

MHA MacIntyre Hudson present our audit report and management letter solely for the attention of Tove Learning Trust following our audit of the financial statements for the year ended 31 August 2017. This report summarises key issues in connection with the audit of the financial statements and with the regularity assurance engagement, which we consider should be drawn to the attention of the Trustees.

We note that the Academy is required to provide a copy of this report to the Education and Skills Funding Agency (ESFA) by 31 December 2017 together with the Academy financial statements.

The report has been prepared solely for the purpose of recording the audit scope, approach and risk areas and for communicating audit issues raised with those charged with governance.

We would be grateful if you will in due course advise us what action you propose to take on the recommendations in the report and also if you would like our further assistance on these or any other matters.

The report has been prepared in compliance with the ESFA's requirement for reporting to both the Trustees and the ESFA through a management letter. No reports may be provided to third parties, with the exception of the ESFA, without our prior consent. Consent 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 we accept no duty of care or responsibility to any other party. The report may not be relied upon for any other purpose. No responsibilities are accepted by MHA MacIntyre Hudson towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all the Academy's staff that assisted us in carrying out our work - particularly Sue Wagstaff, Sonya Marshall, Lindsay Oake and their teams.

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2 The audit process and areas covered by the audit assignment

2.1 Audit approach and scope

The objective of the audit of the financial statements is to enable us to provide an audit opinion on whether the financial statements of the Academy show a true and fair view of the state of the Academy Trust's affairs at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and whether the information in the Trustees' Report is consistent with the financial statements.

We also consider whether the financial statements comply with United Kingdom Generally Accepted Accounting Practice, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and the Statement of Recommended Practice for Charities.

Our audit work is designed to provide the required assurance that the financial statements are free from material error, and to enable us to have a reasonable expectation of detecting material misstatements in the financial statements that result from irregularities or fraud. However, our audit of the financial statements is not a comprehensive report covering all of the systems and controls.

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 Academy operates. We tested

controls, carried out analytical review tests and completed substantive testing, verifying specific transactions or balances. At the planning stage, we designed audit tests to provide us with sufficient audit evidence to support an opinion as to whether the financial statements show a true and fair view.

To summarise our approach, we:

- updated our understanding of the organisation 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 are those which are derived from business risks that may result in a material misstatement, relate to unusual transactions that occur infrequently, or judgmental 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 proportionately less detailed.

2.2 Areas covered by the audit

During the course of our audit work and regularity engagement we reviewed the accounting

systems and procedures operated by the Academy. Our work included:

- reviewing the existence and completeness of General Annual Grant (GAG) and other income;
- review of bank reconciliations;
- checking the authorisation of expenditure;
- review of payroll control, calculation and authorisation;
- review of authorisation and validity of journals;
- checking the validity of balance sheet items;
- checking that income and expenditure relating to the GAG has been reflected accurately in the accounts;
- reviewing the register of interests and minutes to ensure that all related parties have been disclosed adequately;
- reviewing the related party transactions in respect of at cost issues;
- checking that all capital expenditure has been correctly identified in the accounts; and
- checking restricted income and expenditure allocation.

3 Key audit areas

We considered the following to be key areas of focus:

	Audit Area and key risks	Considerations on approach
1	<p>Financial reporting</p> <p>There is a risk that the respective Trustees' Report and financial statements are not fully compliant with the revised Charities SORP FRS102 and the Academies Accounts Direction 2016/17, or are materially misstated through errors in their compilation.</p>	<p>We reviewed the Trustees' Report for consistency with the financial statements and to ensure it complies with applicable regulatory (Academies Accounts Direction 2016/17) and Charities SORP FRS102 requirements.</p>
2	<p>Misstatement of income - Grant Funding and other income</p> <p>There is significant grant funding received by the Academy Trust in addition to GAG funding. Other income should be recognised as restricted income where appropriate, and in accordance with Charities SORP FRS 102 and the funding agreement.</p>	<p>We tested the allocation of income received to ensure it is restricted; the expenses met by the GAG reserves, and reviewed supporting records to ensure that GAG expenditure is correctly allocated. We tested the records to ensure that the expenses are appropriately accounted for in the GAG restricted funds.</p> <p>The Academy's accounting policies in respect of restricted income and unrestricted income was reviewed. We ensured that the accounting policy correctly reflected the requirements of the Academies Accounts Direction and Charities SORP FRS102 in respect of the entitlement, probability and measurement of the income.</p> <p>We also reviewed the allocation of income to restricted and unrestricted funds.</p>
3	<p>Future plans and Going Concern</p> <p>The Trustees will need to consider whether the Academy Trust will be a "going concern", giving consideration to at least 12 months from the approval of the accounts (i.e. to 31 December 2018).</p>	<p>We reviewed the cash flow forecasts and budget forecasts of the Academy and consider the assumptions made in relation to going concern to ensure these remain appropriate, ensuring that the Academy is operating within its financial limits and it has sufficient resources to continue for at least 12 months following the date of approval of the financial statements.</p>

3 Key audit areas

	Audit Area and key risks	Considerations on approach
4	<p>Expenditure – Existence and Allocation</p> <p>The Trustees are responsible for ensuring that expenditure from restricted funds is correctly allocated. We will review the allocation of income and expenditure of restricted and unrestricted funds; ensuring restricted funds are used for the purposes intended.</p>	<p>We reviewed the allocation of expenditure between restricted and unrestricted funds, checking that expenses are correctly allocated and used for the purposes intended.</p>
5	<p>Payroll - Accuracy, Existence and Completeness</p> <p>Salary costs are the largest item of expenditure of the Academy.</p>	<p>We reviewed the reconciliations of the payroll records with the disclosures in the financial statements. We tested controls over payroll and completed substantive testing to provide assurance that the payroll information is accurately reflected in the financial statements.</p>
6	<p>Pension Scheme Liability - Valuation</p> <p>The pension liability represents the Academy Trust's share of the deficit of the Local Government Pension Scheme. The amount recognised is an estimate, and has been recorded from the valuation undertaken by the Scheme's actuary. There remains a risk that the amount may be materially misstated if the assumptions used by the Scheme's actuary are not appropriate.</p>	<p>We reviewed the actuarial valuation for the Academy that has been presented by the actuary. We completed review procedures on the estimates to determine our reliance on this work. We ensured that the Academy checks the data which has been provided for the actuarial report and we considered the relevance of the assumptions used by the actuary in preparing the 2017 valuation. We checked the pension disclosures in the financial statements to ensure these reflected the assumptions used.</p>
7	<p>Regularity</p> <p>The ESFA have highlighted in the Academies Financial Handbook their Schedule of Requirements (the 'musts') that are an essential obligation for all Academies.</p>	<p>We have considered your answers to our questions and evidence relating to the 'must' requirements as part of our audit work.</p>

3 Key audit areas

	Audit Area and key risks	Considerations on approach
8	Fixed Assets – Existence and Completeness	We have reviewed assets capitalised to ensure the accounting policies have been applied. We have tested the existence of fixed assets, on a sample basis, to gain comfort that the assets recorded in the fixed asset register are valid assets owned and used by the Academy Trust.
9	Creditors – Completeness and Valuation	<p>We have tested trade creditors and accruals to ensure that the balances are valid, accurate and complete. Tax liabilities and other creditors have been reviewed and verified to supporting documentation. We have considered whether possible capital works and other liabilities around the year end need to be accrued.</p> <p>We have checked if any provisions are required for potential clawbacks of income and whether these should be reflected in the accounts if material.</p> <p>We have considered income recognition policies for income arising from capital grants such as the School Building Programme.</p>
10	<p>Allocation of costs between academies</p> <p>As a Multi-Academy Trust you are required to make certain disclosures as set out in the Academies Financial Handbook. These included matters to include in your Trustees' Annual Report, disclosure of General Annual Grant, restricted funds attributable to each constituent Academy and central services provided by the Trust.</p>	We have reviewed the basis of all allocation of costs by reference to agreements between the Trust and local governing bodies, and also considered the adequacy of disclosures made in the accounts.

3 Key audit areas

3.1 Materiality

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 the impact of uncorrected misstatements. In general, misstatements, including omissions, are considered to be material if, individually or in 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.

We have assessed the materiality for this assignment by considering the total income of the Academy, net of capital income at 31 August 2017 and other relevant indicators. A lower measure of materiality was set for those specific areas where the nature of the transactions requires this, for example in respect of related party transactions.

Where individual errors, or accumulated errors found during the course of the audit, are in excess of materiality, these are discussed with you and adjustments made to the financial statements. If the adjustments had not been made, our audit report would be modified. Where

adjustments are found during the audit which are below the relevant materiality level, they have been sent to you for consideration by the Trustees.

3.2 Independence and ethical considerations

Under current UK Ethical Standards, we are required to write to you to give you full and fair disclosure of any matters that may relate to our independence, or the perception of our independence, as the Academy's auditors. The Financial Reporting Council's Ethical Standard applies to this assignment.

MHA MacIntyre Hudson operates safeguards in order to ensure that we act independently. We have ensured that the partners and staff on this audit do not have any connections with the Academy, or with its trustees or its staff.

We note that in addition to performing the statutory audit, we also provide the following non-audit services:

- preparation of the statutory financial statements from the Academy trial balance;
- certification of the Teachers Pension EOYC;

The following safeguards are in place in respect of the provision of the above non audit services to ensure our independence:

- preparation of statutory financial statements from the Academy trial balance is considered to be a mechanical function presenting the Academy's results into the required format. Any adjustments to the figures have been made following discussion with the Academy and approval by the Business Manager. The financial statements are reviewed by an MHA MacIntyre Hudson second, independent manager prior to completion;
- The completion of the TPA return does not affect our audit work for the statutory audit and we use agreed upon procedures;
- VAT advice is provided by our VAT experts who are independent of the audit team. Corporation tax services are provided by staff independent of the audit team. General advice and assistance with accounting queries during the period is not considered significant for this Academy.

4 Amendments to financial statements and significant concerns

4.1 Amendments to the financial statements

A summary of adjustments made to the Academy trial balance to finalise the financial statements and also the unadjusted misstatements have been sent to you.

As Trustees of the Academy, you are responsible for preparation of the financial statements and for the review of the adjusted and unadjusted items. Trustees are required in the letter of representation to confirm that the recorded items do not require adjustment in the financial statements. Those below the trivial threshold will not be included in the letter of representation.

4.2 Significant concerns

During the course of our audit and regularity assurance engagement for the year ended 31 August 2017 we noted matters which we consider should be brought to your attention. We note that these matters came to light during the course of our normal audit and assurance tests. These tests 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 as soon as practical.

We note in Section 5 the issues arising from our regularity audit. Significant concerns arising from the 'true and fair' audit of the financial statements, which do not impact regularity, are included at Section 6. The importance of these issues has been considered and the perceived risk rated as high, medium or low, following our discussion with the Business Manager. Recommendations for changes in procedures in order to address these areas have also been included.

4.3 Regularity opinion

Our regularity opinion in the financial statements must reflect all significant and material issues that have been raised in this management letter.

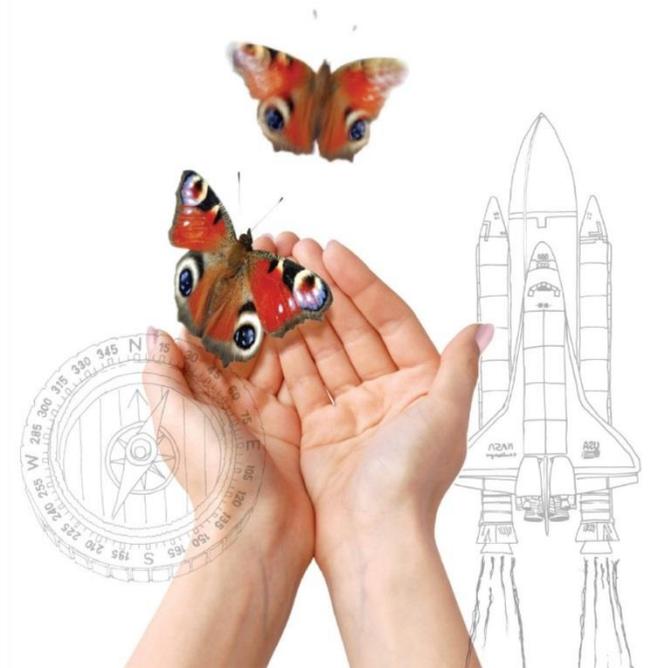
There are no significant issues detailed in this management letter which are required to be included in the regularity opinion, hence the regularity opinion in the financial statements has not been modified.

Where we have identified areas of irregularity, but have concluded that the irregularity is not material by virtue of the value or nature of the issue, this has been included in the summary tables below. This is included in order for the

Education and Skills Funding Agency to have full information relating to all regularity issues, enabling them to draw an overall conclusion on regularity in the Academy Trust.

The Trustees' responses to the issues raised, together with a timescale for action, have been included where these have been received prior to the finalisation of this report

Recommendations made by us in the previous year relating to the audit of the financial statements and the regularity audit have been included together with any changes on the issues raised.



5 Regularity issues

Regularity issues and potential consequences	Significance and recommendations	Trustees' response	Timescale and responsibility for implementation
<p>Trust as a whole</p> <p>Medium risk - Budget forecast</p> <p>We note that a fundamental error was made in the preparation of the 2017/18 annual budget forecast for Elizabeth Woodville School. This error was included in the overall, combined budget forecast for the Trust reported to the ESFA.</p> <p>We note also that following the subsequent detection of this error, no amended budget was reported to the ESFA.</p>	<p>It is a requirement that accurate budget forecasts are reported to the ESFA in a timely manner. On identification of the fundamental error and following the correction of the budget forecast, the ESFA should be informed and provided with the amended forecast so they have the most up to date and accurate budgeted financial performance of the Trust.</p> <p>We therefore recommend that;</p> <p>A – Every effort is made to prepare accurate budget forecasts in the first instance and that a process of review of the forecasts is completed to ensure any human errors are identified and corrected.</p> <p>B – If errors are made and reported to the ESFA, any subsequent rectifications should be reported immediately to the ESFA also.</p>	<p>The Budget forecast was completed and sent on time to the ESFA so we consider our compliance to compete this return has been met.</p> <p>We accept recommendation A that the Trust needs a better system of review in that we accepted the budget in its given form from EWS without further checking taking place. In the future, for all schools the funding will be routinely checked against that years actual GAG statement when compiling the return.</p> <p>The Trust has sent an enquiry to the ESFA asking if we are required to update them now with revised figures or update them on the next return in March given that the revised figures do not effect the viability of the Trust overall. The Trust is working with EWS to effect further savings to ensure that they remain within budget this year by using their accumulated surplus from last year with LST.</p>	

5 Regularity issues

<p>Trust as a whole</p> <p>Low risk - Business continuity planning</p> <p>Under section 2.3.3 of the Academies Accounts Direction the Trust is required to recognise and manage present and future risks, including contingency and business continuity planning, to ensure the academy trust's continued and effective operation.</p> <p>On review of Trusts business continuity plans we note that although a plan exists for Sponne School, no plans exist for The Elizabeth Woodville School or for the Trust as a whole.</p>	<p>In order to comply with this essential requirement and to ensure the Trust has a clear plan for itself and its schools in the event of a major disruptive event, we recommend that the Trust works to implement continuity plans for The Elizabeth Woodville School and a plan at Trust level, which we recommend should give consideration of the options available to share resources across Trust schools should the need arise.</p>	<p>Agreed. The Trust will ensure that a plan is created for EWS and the Trust asap.</p>	
<p>Elizabeth Woodville School</p> <p>Low risk - Governance information</p> <p>Under section 4.7.4 of the Academies Accounts Direction the Trust is required to notify ESFA via Get Information about Schools within 14 days of the appointment or vacating of the positions of member, trustees, local governor, chair of trustees, chairs of local governing bodies, accounting officer and chief financial officer.</p> <p>On review of the Get Information about Schools website for The Elizabeth Woodville School, we note that no governance information appears on the Gov.uk website.</p>	<p>We recommend that governance information is provided as soon as possible via Get Information about Schools so that this essential requirement is complied with.</p> <p>We also recommend that any subsequent change to the governance of the school is notified in line with the requirement, within 14 days of the change.</p>	<p>Agreed. This information will be populated onto Get Information about Schools website by Friday 24th November and all future changes will be filed in line with the ESFA requirements.</p>	

6 Internal control deficiencies

Weakness and potential consequences	Significance and recommendations	Trustees' response	Timescale and responsibility for implementation
<p>The Elizabeth Woodville School</p> <p>Medium risk - Bank reconciliations</p> <p>We note that bank reconciliations are prepared by the Finance Manager, who is also responsible for the day to day banking and posting of bank transactions to the accounting system. This creates a lack of segregation of duties around the preparation of bank reconciliations. We also noted that bank reconciliations are not reviewed by a third party, which exacerbates the problem.</p>	<p>We recommend that a member of staff who is not involved in the day to day operation of the bank account is used to complete the bank reconciliation. We also recommend that the bank reconciliation is reviewed by a senior member of staff on a monthly basis and that the review is evidenced by physically signing the bank statement.</p>	<p>Agreed EWS will adopt the following Trust procedures:</p> <p>All processing to be done by finance assistants i.e. input of DD's, banking, logging of income etc.</p> <p>The actual bank rec will be performed by the Finance Manager and the following checks evidenced:</p> <p>Sig 1 – Finance Manager (processed by) Sig 2 - School Business Manager (checked by) Sig 3 - Headteacher (Authorised / seen by)</p>	

6 Internal control deficiencies

<p>The Elizabeth Woodville School</p> <p>Medium risk - School Fund Process</p> <p>Per our understanding of the school fund system, the full process from receiving income from students to recording this onto FMS and arranging the G4S banking is done solely by the Finance Assistant at North and the Finance Officer at South. With there being no segregation of duties in place this gives rise to both the potential for misappropriation of cash and inaccurate recordings being made.</p>	<p>We recommend that an additional check be put into place whereby the School Business Manager (or another separate member of staff) double counts the cash receipts and checks this against the FMS posting and banking summary to ensure this agrees, signing either document as evidence of their review.</p>	<p>Agreed This has already been partially improved with the introduction of a payment on line system but this has yet to be fully embedded. It is anticipated that by the new year very little cash will actually be received. However when it is, EWS will adopt the following Trust procedures:</p> <p>All cashing up to be done by finance assistants i.e. receipts issued, banking, logging of income etc.</p> <p>The pay-in slips and postings onto FMS will be checked by the Finance Manager.</p> <p>Final check to be done by the School Business Manager who will check amount banked was received by the bank (by stamp in paying in book). All 3 elements to be evidenced by signatures.</p>	
<p>The Elizabeth Woodville School</p> <p>Medium risk - Payroll Journals</p> <p>It is our understanding that payroll journal postings to FMS are now being reviewed by the School Business Manager from May 2017 onwards, thus providing assurance over the accuracy of these postings compared to the final payroll reports.</p>	<p>We recommend that the School Business Manager signs the journal report/ reconciliation as evidence of her review.</p>	<p>Agreed – and in addition: EWS will adopt the Trust’s procedures for the monthly reconciliation of the payroll reports.</p> <p>School Business Manager will calculate and post the payroll journals onto FMS and then create the cash book journals for the expected bacs deductions from the bank.</p> <p>The Headteacher will countersign the journals.</p> <p>The Finance Manager will reconcile these through the bank.</p>	

6 Internal control deficiencies

<p>The Elizabeth Woodville School</p> <p>Low risk - Payroll – Gross Pay Authorisation</p> <p>During our payroll testing, we identified instances whereby there was no evidence of recent confirmation from the Head teacher of employee's gross pay. This can lead to incorrect salaries being set on the payroll, thus resulting in under or over payments and in addition could give rise to employee disputes.</p>	<p>We understand that annual letters signed by the Head teacher are sent out to employees confirming their salary and employees are asked to sign and return these to the HR Administrator for filing on their personnel files. Based on our results, our sample identified instances where this was not the case. Therefore, we recommend that copies of these letters are taken and filed on personnel files before being sent out to ensure sufficient supporting documentation is held at all times.</p>	<p>Whilst we cannot contest that the actual documents were not in the personnel files during your sampling it would have been easy to pull the original document off the EPM portal if requested. The fact that they had been signed and distributed implies they had been checked by the Headteacher prior to distribution.</p>	
<p>The Elizabeth Woodville School</p> <p>Medium risk - Purchase Orders</p> <p>We noted that a number of purchases did not have an accompanying purchase order request form. Additionally, where forms were raised, they were not signed by a second individual other than the individual raising the order. This gives rise to purchases being made that are not for a legitimate business purpose.</p>	<p>We recommend that all purchases are accompanied by a purchase order request. The purchase order should be authorised by the budget holder or an individual senior to whom is raising the order request and signed as evidence of this approval.</p>	<p>Agreed EWS will follow the Trust's procedures and ensure that all orders should have an order request signed by the appropriate budget holder.</p> <p>The order clerk will then enter it on to the system and pass the request and copy order to the School Business Manager for authorisation. This also allows for the SBM to check that the items are appropriate for the school to purchase and for initial filtering of assets, prepayments and inventory items to be copied for the appropriate people.</p>	

6 Internal control deficiencies

<p>Trust as a whole</p> <p>Low Risk - VAT returns</p> <p>We noted that the Elizabeth Woodville School VAT recoverable claim for August 2017 was entered incorrectly on the combined August 2017 VAT return and as such the amount of VAT reclaimed on the return was overstated.</p> <p>As a result of this error, the subsequent VAT refund from HMRC was overstated.</p>	<p>Whilst we appreciate that this error was subsequently identified by the Trust and owing to its value, the Trust is able to correct the error via an adjustment to the November 2017 VAT return, we recommend that in future, a senior member of staff reviews the VAT return and agrees it to underlying supporting documentation and calculations before it is submitted to HMRC. We also recommend that this check is evidenced by signing the final VAT return.</p>	<p>Whilst we can't argue that the error occurred, it is because of the Trust's procedures that the error was identified and corrected through the appropriate channels by a manual reconciliation. It is only because a VAT report generated in a previous month was used again in error that this occurred. It was an oversight at busy year end.</p> <p>There have been no other errors and the other reports have been appropriately signed.</p> <p>There is already a documented VAT procedure in the internal manual but it was not followed appropriately in this month.</p>	
<p>The Elizabeth Woodville School</p> <p>Low risk - School Fund Income vs Expenditure</p> <p>An additional point identified from our review of the school fund systems is that no formal check is being done to compare total income and expenditure for each school fund event. This gives rise to potential large surpluses or profits which should ultimately be refunded to students.</p>	<p>We are aware that there are worksheets maintained for each school fund event which provides details on the total income and expenditure for that event. We recommend that a formal review is undertaken of this summary once the event has taken place. We also recommend that this be reviewed and signed by the School Business Manager ensuring large surpluses or profits are not being made and where this does arise, ensure that appropriate action is taken.</p>	<p>Agreed</p> <p>Whilst we agree that there is no reconciliation done in a formal manner i.e. on a special proforma, all income and expenditure is maintained on a spreadsheet by the Finance Manager. We were unaware that any significant profits or losses HAD been identified or not accounted for during the audit so we assume this is to highlight that this COULD be a risk.</p> <p>That said, EWS will follow the Trust procedures for the reconciliation of school trips from now on thus ensuring that the trip organiser, the finance assistant and the school business manager have sight of or are involved in signing off the final account on a specific proforma to support ease of reconciliation and demonstrate transparency.</p>	

6 Internal control deficiencies

<p>The Elizabeth Woodville School</p> <p>Low risk - Willison Centre Cash Income</p> <p>It was noted during our review of the Sports Centre processes that cash is counted and recorded by a member staff on a daily basis; however, this is not always double counted by a separate member of staff thus giving rise to potential misappropriation of cash.</p>	<p>We are aware that the Finance Assistant at the North site will recount all of the cash that is provided to her on a weekly to fortnightly basis and check these back to the daily count records. However, if discrepancies were found, it may be more difficult to follow up after this period of time in comparison to someone identifying this on the same day. Therefore, we recommend that cash is double counted daily and that the daily cash record be signed by a separate member of staff as evidence of their check.</p>	<p>Agreed</p> <p>These procedures will be reviewed and brought in line with the Trust procedures which incorporate the required levels of control. This may take a bit longer to implement due to the split site and split responsibilities at EWS but it will happen very soon.</p> <p>It is also worth repeating that due to the new online payment system which could be extended to include many of the customers of the Willison Centre, levels of cash should reduce significantly so the daily counting of a few pounds should not be problematic.</p>	
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7 Audit findings of prior years

Issue and potential consequences reported in 2016	Status in current year	Trustees' response	Timescale and responsibility for implementation
<p>Asset Verification</p> <p>We understand that an annual verification of all fixed assets is carried out to ensure they are still in working order and that the fixed asset register is updated to reflect anything damaged or written off. However, during our audit testing we were unable to see any evidence of this annual check being done.</p> <p>We recommend that these checks continue to be completed but that a record is kept of which assets have been checked each year and any issues identified are noted against the relating asset.</p>	<p>No issues in the current year.</p>		