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15 December 2015

Dear Sirs

REPORT TO THE DIRECTORS

During the course of our audit and regularity assurance engagement for the year ended 31 August 2015 some 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 to provide 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 tests, we would, of course, inform you immediately.

This report has been prepared for the sole use of the Directors of The Mill Academy. We understand that you are required to provide a copy of this report to the Education Funding Agency. With the exception of this, the reports should not be shown to third parties without our prior consent. No responsibility is accepted by James Cowper Kreston towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to the Directors and the School's staff, in particular Nichola Stretton and Tonia Parsons, for the assistance afforded to us during the audit.

Yours faithfully



James Cowper Kreston
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POINTS NOTED DURING THE COURSE OF OUR AUDIT FOR THE YEAR ENDED 31 AUGUST 2015

Internal controls

The purpose of the audit and the regularity assurance engagement was for 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 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 and the matters reported below are limited to those deficiencies that we have identified during the audit.

Control weakness identified (Category: low risk).	Potential implications	Recommendation	Response
The budget for 2014-15 did not include depreciation.	Depreciation is a significant cost and the budget may not be accurate if it is not included in the budget.	We recommend that an anticipated depreciation figure is either included within the budget or added as a memo note so that staff and Governors can see its likely effect.	A memo note will be added when the 2016-17 budget is prepared.

Transfer of payroll to Kier

During our audit work, we noted that the transfer of payroll processing from Oxfordshire County Council to Kier has presented a number of challenges and that considerable additional effort has been required on the part of the Finance team, and in particular the Finance Manager, to review and reconcile the information provided by Kier. In our experience a number of other Oxfordshire schools have encountered similar problems both during and since the transition to Kier. Our audit work on payroll has not identified any material problems in this area.