

MNF/AS/FUO

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Dear Sirs

REPORT TO THE DIRECTORS

During the course of our audit and regularity assurance engagement for the year ended 31 August 2016 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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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.

The following points all relate to Finstock C.E. primary and Queen Emma's School:

Significance (SD/D)*	Control weakness Identified	Potential implications	Recommendation	Response
D	Purchase ordering procedures were not consistently followed in the primary schools.	The MAT has a robust system for purchase ordering and approval. If these procedures are not followed, there is an increased risk of improperly authorised or inappropriate purchases being made.	We note that MAT staff are helping the primary school staff to implement MAT procedures more fully. We also note that financial delegation has been withdrawn from Queen Emma's since 31 August 2016 while MAT procedures are implemented more fully.	The Academy's finance team have been working with staff at the primary schools throughout the year to move towards more consistent application of the purchase ordering procedures. The finance team will continue to work on this area to full and consistent purchase order processes to ensure they are fully embedded and robust.
D	We noted during our testing that some Invoices were not scanned to PS Financials.	We appreciate that this procedure was only introduced for the primary schools part way through the year, but it will become increasingly important for copies of invoices to be available for review by staff in the MAT finance team. This will improve the efficiency of approval procedures and enable staff to resolve queries and disputes with suppliers more quickly.	All invoices should be scanned on to PS Financials in accordance with procedures.	The Academy's finance team are assisting the primary schools in order to catch up with the back scanning and will ensure scanning is kept up to date on an ongoing basis during 2016/2017.
D	Remittance advices not available for some income.	There is a risk that income might not be recognised correctly in the accounts if remittance details are not provided. We appreciate that in some cases this has been due to the slow provision of information by local authorities.	All remittance advices should be sent to Tonia Parsons in future.	The Academy's finance team will work with the staff in the primary schools to ensure remittances are sent directly from the payer to the finance team to avoid delays; and that any remittances that do go to the primaries are forwarded immediately to the finance team.
D	Ledgers were not checked regularly by the primary schools during the year.	There is a risk that errors and problems could go unidentified if regular reconciliations are not performed.	Sales and purchase ledgers should be checked on a monthly basis. We note that a monthly procedures is in place and that the primary schools will follow this in future.	The Academy's finance team will work with the primary school staff to ensure that the monthly checklist is completed in a timely manner. The finance team will require a copy of the checklist to be forwarded to them to confirm reconciliations are completed.