

Private & Confidential

Cardinal Hume Catholic School
Old Durham Road
Gateshead
Tyne & Wear
NE9 6RZ

Our ref: CAR0364/GF

Your ref:

Date: 14 November 2014

Dear Sirs

Cardinal Hume Catholic School – Report to management

During the course of our audit and regularity assurance engagement for the period ended 31 August 2014 a number of 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 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 immediately.

This report has been prepared for the sole use of the trustees of Cardinal Hume Catholic School. We understand that you are required to provide a copy of this report to the Education Funding Agency. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and 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 that we accept no duty or responsibility to any other party. No responsibilities are accepted by Evolution Business and Tax Advisors LLP towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the academy's staff who assisted us in carrying out our work.

Yours faithfully



Evolution Business and Tax Advisors LLP

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Significant matters relevant to our audit and regularity assurance engagements for the period ended 31 August 2014

Audit approach

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 company operates.

To summarise our approach, we:

-  updated our understanding of the business 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 arise on most audits and are often derived from business risks that may result in a material misstatement, relate to unusual transactions that occur infrequently, or judgemental 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 proportionally less.

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

There were no changes to our audit approach as previously communicated to you in our audit planning document.

Summary of significant audit findings

Significant risk area identified at planning	Findings, significance and recommendations	Management response / timetable for action
Recognition of income in the appropriate accounting period (generic academy sector audit risk)	Minor adjustments were required in respect of income and Pupil Premium, however we are satisfied that income is appropriately recognised in the financial statements	No action required
Allocation of expenditure against the appropriate income stream (generic academy sector audit risk)	The finance team provided appropriate details to confirm that the accounts were prepared in accordance with the appropriate guidelines and all funds have been accounted for in accordance with those guidelines	No action required
Accounting for capital income and expenditure in the period	We are satisfied that all capital income and expenditure relating to the accounting period has been appropriately accounted for	No action required

Other areas where issues were identified during the audit	Findings, significance and recommendations	Management response / timetable for action
Not all of the trustees are registered at Companies House as directors	The academy should review the register of directors and make the necessary appointments	The changes will be made in due course

Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls 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. We confirm that we did not identify any material control weaknesses during the audit.

Update on prior year's management letter points

We confirm that no matters were reported in the prior year's management letter.

Anticipated audit report

We anticipate that we will issue an unmodified audit report for period.

Regularity assurance engagement findings

We conducted our regularity assurance engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We anticipate that we will issue an unmodified regularity assurance report for the period.

There are no regularity issues brought to your attention in connection with the regularity assurance engagement.