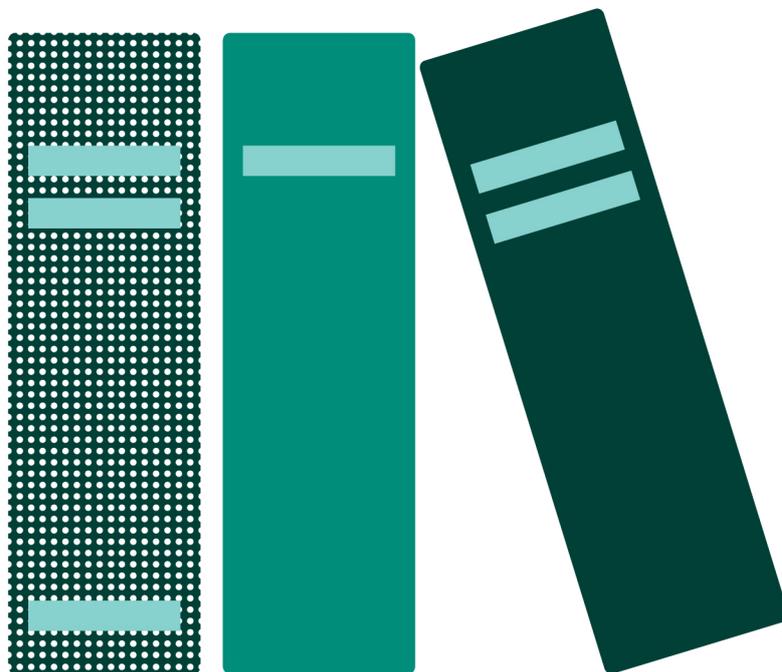


The Chipstead Valley Academy Trust
Report to the Board
Year ended 31 August 2016



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Strictly Private and Confidential

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for and is not intended for, any other purpose.

1. Introduction

1.1 Purpose of this report

The purpose of this report is to bring to your attention the salient points which have arisen from our audit of the financial statements of Chipstead Valley Academy Trust for the year ended 31 August 2016. This report also provides a framework for discussion at the Finance Committee meeting on 30 November 2016.

Our Audit Service Plan was circulated to the trustees. This report provides an update to the significant matters raised in that report and highlights any other matters which arose during the course of our audit.

During the course of our audit work, a number of issues came to our attention which have either been resolved subsequently or are not material in the context of the financial statements. We have not detailed all such issues in this report but have concentrated upon the more significant areas of the financial statements and the audit thereof.

Our audit and assurance procedures, which have been designed to enable us to express an opinion on the financial statements and provide a limited assurance conclusion on regularity, have included an examination of the transactions and controls thereon of the company.

The work we have done was not primarily directed towards identifying weaknesses in the company's accounting systems, other than those that would affect our audit or assurance opinions, nor to the detection of fraud. We have, however, designed our audit and assurance procedures in such a way that we felt would increase our chance of detecting any fraud.

We have included in this report only those matters that have come to our attention as a result of our normal audit and assurance procedures and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist or improvements that could be made.

This report is to be regarded as confidential to the trustees of Chipstead Valley Academy Trust and is intended only for use by them, and the staff of the academy. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this report, or any part of it, is disclosed to a third party our written consent must be obtained.



1.2 Audit scope, roles and responsibilities

Our terms of engagement are set out in our letter of engagement dated 29 April 2014. That letter sets out our audit responsibilities and their limitations and the responsibilities of the trustees in relation to the financial statements.

Our Audit Service Plan sets out in detail the key issues and risks identified at the planning stage and the related planned audit responses. It also explained that our audit approach concentrates on areas of material risk of misstatement in the financial statements to allow us to reach our opinion in accordance with auditing standards.

The trustees are responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the trustees confirm that our understanding of all of the matters referred to in this report are appropriate, having regard to their knowledge of the particular circumstances.

1.3 Communication with those charged with governance

International Standard on Auditing 260 “Communication of audit matters with those charged with governance” (“ISA 260”) is an auditing standard designed to ensure that there is effective two-way communication between auditors and those charged with governance. In the context of ISA 260, “those charged with governance” means, the board of trustees and the finance committee.

Matters relating to the planning, conduct, and results of the audit are communicated to those charged with governance on a sufficiently prompt basis to enable the recipients to take appropriate action.

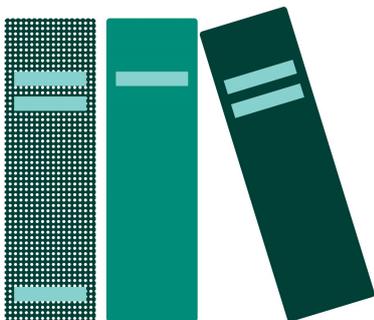
We enhanced our planning communication to the directors by preparing an “Audit Service Plan” which was submitted to you before the commencement of the audit. We had a conference call to discuss and plan the audit. The Audit Service Plan detailed our approach to the 2016 audit, including:

- the nature and scope of the audit;
- any limitations in the work we plan to undertake;
- the impact of any new accounting or auditing standards;
- the expected level of materiality and how it is applied;
- risk areas and our approach to those areas; and
- assessment and reliance on internal controls.

We confirm that there were no substantial changes in our approach to the audit or risk areas following the issue of this plan, which need to be brought to your attention.

During the audit, regular communications were made by us to Linda Weight and Samantha Pennelli. These communications are generally made informally, either by telephone, electronic mail or face to face.

After the completion of the audit, important matters requiring the attention of those charged with governance are communicated by way of this report. This report is addressed to the Board, although it may also be made available to the other persons noted above. Less significant matters are communicated informally to Linda Weight, whilst those not deemed worthy of attention are not communicated at all.



2. Audit independence

In accordance with the requirements of ISA 260 and the UK Ethical Standard 1 “Integrity, objectivity and independence” issued by the UK Auditing Practice Board (APB), we are required as auditors to confirm our independence to “those charged with governance” i.e. the trustees/directors.

Our internal procedures are designed to ensure that all partners and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors.

The procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the firm’s independence and the objectivity of the audit engagement partner and the audit staff. This document considers such matters in the context of our audit for the year ended 31 August 2016.

We confirm the following:

- We have not carried out any other significant advisory or taxation work in the year ended 31 August 2016;
- We have not identified any potential issues in respect of: i) personal relationships with the group; ii) gifts or hospitality received from Chipstead Valley Academy Trust or its senior management or directors; iii) contingent fee arrangements; and
- The lead audit engagement partner has not acted for more than ten years and therefore is not required to be “rotated”.

We have not identified any potential threats to our independence as auditors. In addition to performing the statutory audit, we also provide the following non-audit services:

1. Certification of the Teachers’ Pension End of Year Certificate (“EOYC”);
2. Providing an assurance on the Accounts Return;
3. Internal audit work; and
4. Provide general advice throughout the year as required.

The following ‘safeguards’ are in place for the non-audit services to ensure our audit independence:

1. The certification of the Teachers’ Pension EOYC does not affect our audit;
2. The provision of an assurance report confirming that the Accounts Return has been completed consistently with the financial statements and other supporting records is not considered to affect our audit;
3. We do not place reliance on that work for the external audit; and
4. General advice and assistance with accounting queries arising throughout the year are not considered significant.

We can therefore confirm that, in our professional judgement, at the date of this report:

- UHY Hacker Young LLP is independent within the meaning of the applicable regulatory and professional requirements;
- The objectivity of the audit engagement partner and audit staff is not impaired; and
- We are able to express an objective opinion on the financial statements.

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.



3. Conduct of audit

3.1 Audit structure

We carried out the audit of the academy trust and the audit working papers and financial statements have been reviewed by our audit manager and audit partner. Any significant issues arising during our audit were discussed with Linda Weight and Samantha Pennelli and are in this report if deemed necessary.

The audit was planned and conducted to concentrate on the high risk areas in the financial statements, as noted in our Audit Service Plan. The key audit issues arising in these areas are expanded on in sections 4 to 6 below.

The systems for income, costs, overheads, assets and payroll were documented and the controls over these systems evaluated. Using these assessments we designed and conducted detailed tests of transactions and balances.

3.2 Current position

The audit of the academy trust is substantially complete. We have received full co-operation from the accounts staff and wish to thank Linda Weight and Samantha Pennelli and their team for their assistance during the course of the audit. All problems encountered during the audit were dealt with as the audit progressed. There have been no limitations on the scope of our audit work completed to date. There are, however, at the time of writing some outstanding unresolved audit matters which are set out below which may or may not have an impact on our audit opinion on the trust's financial statements:

- Final review and approval by you of the final financial statements;
- Signed letter of representation from the trustees;
- Completion of our subsequent events review to the date of our audit opinion (including discussion with the trustees); and
- Discussion of going concern with the trustees.

We expect to be in a position to sign our audit report as soon as practicable after clearing the outstanding matters and the approval of the trustees' report and accounts by the trustees.

The timetable for the completion and release of the financial statements and this report to the EFA will be discussed at the finance committee meeting.

3.3 Our audit scope

Our statutory audit of the financial statements is carried out in accordance with International Standards on Auditing (UK and Ireland), with the aim of forming an opinion whether:

The financial statements give a true and fair view of the state of the trust's affairs as at 31 August 2016 and of the trust's results for the year then ended

The financial statements have been properly prepared in accordance with FRS 102

The financial statements have been prepared in accordance with the Companies Act 2006 and the Academies Accounts Direction 2015/16 issued by the EFA

The information given in the Trustees' Report for the financial year is consistent with the financial statements

We are also required to report on whether:

The trust has kept adequate accounting records and that they are in agreement with the financial statements

Other information contained in the annual report is not consistent with the audited financial statements

Certain disclosures of trustees' remuneration specified by law are not made

We have not received all the information and explanations we require for our audit

3.4 Risk-based audit

We performed a risk-based audit, focussing our work on key audit areas. We began by developing further our understanding of the trust's activities and the specific risks it faces. We held an initial planning meeting with key management and finance staff to ascertain management's own view of potential audit risk, and to gain an understanding of the academy trust's activities. We have also developed an in depth understanding of the accounting systems and controls so that we may ensure their adequacy as a basis for the preparation of the financial statements, and that proper accounting records have been maintained.

Our audit procedures were carried out, and then we ensured the presentation and disclosure in the accounts meet all the necessary requirements.

3.5 Risk-based limited assurance engagement

In addition to our audit opinion we are also required to perform a limited scope assurance engagement, reporting both to you and to the Education Funding Agency ("EFA"), considering whether the expenditure disbursed and the income received by the trust during the period 1 September 2015 to 31 August 2016 has been applied to the purposes identified by Parliament and that the financial transactions undertaken by the trust conform to the authorities which govern them. This latter point is concerned with looking at compliance with the requirements of the various frameworks that apply to the trust, including your memorandum and articles, your funding agreements, the Academies Financial Handbook extant for the relevant period, the Accounts Direction 2015/2016, the Charities Act 2011 and the Companies Act 2006.

Our approach was once again risk-based. We began by developing our understanding of the trust's own approach to ensuring the proper application of funds received and to ensuring compliance with relevant legal and contractual frameworks. We developed an understanding of the trust's governance arrangements and internal control procedures, planning our work accordingly to allow us to gain sufficient evidence to give the required limited assurance opinion. Our assurance procedures included reviewing and commenting on the Accounting Officer's Statement on Regularity, Propriety and Compliance, and the trustees' report and governance statement. We also discussed with the Accounting Officer the procedures performed so that he may sign the Regularity report.

4 The risks of error in your financial statements

4.1 Key risks

International Standards on Auditing require us to consider:

- Whether there is a risk of fraud;
- Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention;
- The complexity of transactions;
- Whether the risk involves significant transactions with related parties;
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and
- Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

The identified significant audit risks were communicated to you in our Audit Service Plan. We now note the work performed and conclusions.

Aspects of the financial statements that are more likely to give rise to errors	An outline of our audit work in response to those risks and conclusions
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Revenue recognition and deferred income

The grant income received during the year is subject to restrictions contained in the grant/funding agreements and our work will be focused to ensure that the terms of these agreements have been met and that the income is recorded in the correct financial period in accordance with requirements of the Charities SORP.

We have reviewed the systems in place in relation to the calculation and recognition of the income, evaluated the controls over these transactions and re-performed calculations to ensure that income calculations are accurate.

We have reviewed relevant correspondence to ensure that grant income and expenditure has been recognised in line with the grant agreement and the Charities SORP.

Adjustments (c£13,000) were agreed to fully recognise government grants in the year, which has previously been recognised. This correctly recognises the revenue in line with FRS 102 and the Accounts Direction 2015/16. Capital grants are now recognised in the year when they are receivable and not deferred where capital works are yet to be undertaken.

Treatment of pension scheme assets and liabilities

The fair value of the trust's share of the LGPS pension liability will need to be recorded in the financial statements.

Due to the number of assumptions and the complexities of the valuation, there is a risk of error in the calculation.

The fair value of the pension scheme assets and liabilities has been obtained from the Local Authority who have arranged for professional valuations from actuaries.

The assumptions and basis of the valuations calculation were assessed in light of assumptions used in similar valuations and the impact on the valuation of using differing assumptions assessed. Sensitivity analysis performed shows that flexing the key assumptions by reasonable amounts is not considered likely to have a material impact on the financial statements.

We have reviewed the FRS 102 disclosures in the actuarial valuation and confirm that these are reasonable.

The necessary journals have been raised to correctly include the deficit of £459,000 for CVPS and £108,000 for NVS in the financial statements and the appropriate disclosures have been made in the notes to the financial statements to comply with the requirements of FRS 102.

Completeness of liabilities and accruals

There is a risk that expenditure is not recorded in the correct period where goods and services have been supplied in the year but where an invoice has not yet been received.

We have performed a detailed review to ensure that proper cut-off procedures are in place and that a detailed search for unrecorded liabilities and costs has been carried out. Our work has confirmed that costs have in all material respects, been recognised in the appropriate period.

Fixed asset policies and accounting

Fixed assets represent a significant balance in the financial statements.

As there are different categories of fixed assets with varying useful lives, there is a risk that assets are not accounted for correctly or that policies applied are not considered to be reasonable or in accordance with accounting standards.

We have reviewed the fixed asset policies and ensured that they are reasonable and in accordance with accounting standards.

We have reviewed the basis used for the categorisation of assets, the assessment of their useful lives and the Fixed Asset register to ensure that it is complete, accurate and up to date.

FRS102 / SORP 2015 Transition

This is the first year that the Trust is required to report under the UK's new accounting framework, FRS 102 and resulting Charity SORP 2015. There may be material disclosures and adjustments required under the new reporting framework.

We have reviewed the accounts in accordance with FRS 102, Charities SORP 2015 and the Academies Accounts Direction 2015/16.

We have agreed adjustments in the year to ensure that grant revenues were recognised in accordance with the current recognition criteria.

We have not identified any transition adjustments that require restatement of the comparative year information.

We have re-analysed the Statement of Financial Activities and disclosure notes in accordance with the new frameworks. This has not resulted in an adjustment to net assets or fund balances.

We have reviewed the accounting policies and have agreed revised wording in accordance with FRS 102, Charities SORP 2015 and the Academies Accounts Direction 2015/16.

Management override of controls

Due to the nature of management's position and the controls in place, it is always considered a risk that management could override the controls in place in order to manipulate the figures provided.

We have reviewed the adjustments and journals processed in the year, and discussed them with management.

We have not identified any instances of management override of controls in the year.

Related/ Connected party transactions

Related party transactions are closely reviewed by the EFA and the wider public. Under Charities SORP and UK GAAP academy trusts are required to disclose all related or connected party transactions. Since November 2013 there are additional "no profit" rules for related parties, where the onus is on the trust to ensure that goods and services procured from related parties have been provided at cost. Due to the high level of scrutiny and regulation in the area, it represents a risk area.

We discussed with management and reviewed the Trustee and other senior management declarations to ensure there are no potential related party transactions during the year under review which have not been disclosed.

Internal procedures in place for the identification of related party transactions were reviewed and assessed, and any relevant information concerning any such identified transactions was reviewed.

A Companies House search was completed for each trustee to identify possible related parties which the trust may have transacted with.

Prior to approval of the financial statements, we will request written management representations from you confirming the full disclosure of related party transactions.

4.2 Regularity opinion

Regularity is an assurance that public money is used for purposes approved by Parliament. It can be defined as the requirement that a financial transaction is in accordance with Parliament's intention such as funding agreements, specific statutory agreements and directions issued by government bodies.

As part of the EFA requirements, we are required to provide an opinion on regularity and during the course of the audit, we will need to carry out additional work to understand and document how the school and in particular the accounting officer ensures that funds are used for the approved purposes.

The Accounts Direction 2015/2016 lists the following matters which apply to the trust and which may be potential triggers for an increased likelihood of irregularity in an established academy trust:

- culture (attitude and values) within the academy trust;
- a change in accounting officer, chief finance officer or significant changes in the board of trustees;
- an expansion of the number of academies within the academy trust;
- changes to the scheme of delegation or major accounting systems.

The Accounts Direction 2015/2016 highlights that a recently established academy trust will have a heightened risk profile, which may be due to controls and procedures not being in place for the full governance procedures, which are still, to some extent, under development.

We planned to carry out a review of a sample of both restricted and unrestricted income and expenditure to ensure that the items have been treated correctly and are in line with the funding agreement.

We also reviewed and assessed the adequacy of the procedures and policies in place to ensure that they meet the requirements set by the government. This included appropriate delegations and risk assessments.

We documented income systems and carried out audit procedures to gain assurance over the operation of financial controls in place to prevent the loss of income and to ensure that income is recorded in the correct period.

We discussed with the trustees and academy finance staff whether they are aware of any cases of fraud occurring during the year. We also reviewed Finance Committee minutes, and

Responsible Officer reports. We have not been made aware of any significant frauds that occurred during the year.

Our audit testing involving sampling income balances and the associated funding agreements, verifying to supporting documentation to ensure income has been recognised in the correct period.

We also considered whether income had been correctly classified between restricted and unrestricted funds, reviewing any terms and conditions of, for example, grant income.

5 Deficiencies in internal control and our recommendations

5.1 Significant deficiencies in internal control

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you. As the purpose of the audit is for us to express an opinion on the trust's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have not identified any significant deficiencies in internal control during the 2016 audit. We did note some areas where minor improvements could be made and these are discussed below.



These are areas that the Board may wish to consider as part of their annual review of internal controls and in aiming to meet best practice guidelines.



These recommendations should be considered by the Board to ensure that they are in compliance with the EFA guidelines.



These recommendations should be considered by the Board as a matter of urgency and steps taken to implement appropriate measures to address the deficiency.

5.2 Other recommendations

We are also required to communicate other audit findings such:

- where we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate in the particular circumstances of the entity;
- significant difficulties, if any, encountered during the audit; and/or

- other matters, if any, arising from the audit that, in our professional judgement, are significant to the oversight of the financial reporting process are communicated to those charged with governance;

The following other deficiencies were identified during our audit work, and we note our recommendations below, along with the response we have received from the trust and the timescale involved in addressing the issues:

Risk	Area	Observation	Recommendations	Management response
	Expenditure	The Cleaning provider 'Guardian' and Catering provider 'Bidfest' have remained suppliers of CVPS for a number of years without triennially considering new suppliers. Quotes have not been obtained so Value for Money cannot properly be ascertained periodically.	We recommend that quotes be every few years so as to ensure the service level and cost is appropriate. We do however understand that the trust retains the cleaning providers because they offer flexible hours and due to familiarity with their service. Should the service providers be kept for a long period of time we recommend that the finance committee review the arrangements in place and approve them. Note that both amounts are just over the sum of £2,500.	The Directors recognise the need to retender for these suppliers and the process will commence in 2017. The cleaning contract tender process will fit with the completion of the expansion of CVPS.
	Fixed Assets	The fixed asset registers are maintained on Excel and larger and more complicated as the trust and the number of schools expands.	As the trust is expanding the number of fixed assets held by the trust is increasing, you may wish to consider looking at a more dedicated fixed assets register software application.	This has been noted. The spreadsheet is currently acceptable but software will be considered in the future if required.

L	Income	Discounts on breakfast club or after school clubs, being given to staff members, when they need to used the facility because they are in work. After discussing this with the Accounting Officer, he only authorises the discount were the teacher has no other means of looking after their child when required to work.	All discounts should be authorised by the finance committee, however in this case the amount of money is so small that it is recommended that the committee authorise Mark to give discounts to staff up to a certain level so as to ensure that the practice is properly documented and agreed.	A policy is being created to address this.
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6 Summary, adjustments and audit report

6.1 Audit adjustments

It is considered good practice to inform you of any material misstatements within the financial statements presented for audit that have been discovered during the audit. A material misstatement is one where the auditors believe that the misstatement is such as to affect the reader's understanding of the accounts. Materiality is considered in relation to the value of the misstatement and also its context and nature.

It is generally not practicable to make accounts completely accurate because judgements need to be made and it is difficult to obtain 100% of information about all transactions. Our role is to ensure that deviations from complete accuracy are not material to the reader of the accounts. During the course of our audit we have come up with various proposed adjustments to make the accounts more accurate.

A summary of the audit adjustments and their effect on the trust's surplus is shown in Appendix I.

6.2 Unadjusted errors

We are required by Auditing Standards to inform you of any such adjustments which have not been made, other than those deemed to be clearly trivial. After making the agreed adjustments there are no further unadjusted audit errors that need to be reported to you.

6.3 Significant subsequent events

Our audit procedures and discussions with management carried out to date have not identified any significant post balance sheet events, either adjusting or non-adjusting events with the exception of the new school joining the trust.

Subsequent events will be discussed further at the finance committee meeting. We will complete our audit procedures in this area at the point of approval of the financial statements, at which time we will require suitable representations from the directors.

6.4 Consideration of fraud

Our Audit Service Plan set out the key areas of fraud risk along with the procedures we planned to carry out. During the course of our work we found no evidence of fraud and corruption. We must emphasise, however, that the responsibility for the prevention of and detection of fraud lies with management, and our work does not remove the possibility that fraud and corruption may have occurred and remain undetected especially as fraud may involve collusion and management override of control systems and be supported by carefully organised schemes designed to conceal the fraudulent activity for which it would be unreasonable to expect a normal audit to uncover.

6.5 Audit report

At the current date, if all the outstanding matters discussed in this report are resolved satisfactorily, we expect to be in a position to issue an unqualified audit report on the financial statements of the company.

6.6 Letter of representation

A draft of the proposed letter of representations is attached in Appendix II. We draw your attention to paragraph 3 which sets out the significant representations, judgements and intentions.

6.7 Going concern

The trustees need to give consideration to the level of reserves maintained and consider going concern for the period to 31 December 2017, being at least 12 months from the approval of the accounts and ensure they agree with the assessment. The trustees have confirmed that they believe the academy's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy's needs. Our review supports the going concern status of the academy trust.



Appendix I
Audit Adjustments

Description	SOFA		Balance sheet	
	Debit	Credit	Debit	Credit
DR Deferred income			5,313	
CR Capital grant income		5,313		
<i>Reversing deferred capital grant income and recognising as income at the year-end for CVPS</i>				
DR Deferred income			3,272	
CR Capital grant income		3,272		
<i>Reversing deferred capital grant income and recognising as income at the year-end for NVPS</i>				
DR Support costs	30			
CR Reserves				30
<i>Being the correction of brought forward reserves</i>				
DR Deferred income			8,401	
CR Capital grant income		8,401		
<i>Reversing deferred bulge class income and recognising as income at the year- end</i>				
DR LPGS pension – P&L	459,000			
CR LPGS pension – B/S				459,000
<i>Being the net effect of the LPGS pension valuation for CVPS</i>				
DR LPGS pension – P&L	108,000			
CR LPGS pension – B/S				108,000
<i>Being the net effect of the LPGS pension valuation for NVPS</i>				
DR Contributions to capital			1,132	
CR Restricted reserves				1,132
<i>Being the reversal of contributions to capital for CVPS</i>				
DR Contributions to capital			1,531	
CR Restricted reserves				1,531
<i>Being the reversal of contributions to capital for NVPS</i>				

Appendix II

Draft Letter of Representation

TO BE PRINTED ON ACADEMY TRUST LETTERHEAD

..... 2016

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dear Sirs,

Representations in respect of the financial statements for the year ended 31 August 2016

We acknowledge as trustees, and confirm that we have fulfilled, our responsibility for the preparation of financial statements for the year ended 31 August 2016 that show a true and fair view and are in accordance United Kingdom generally accepted accounting practice (UK GAAP), the Accounts Direction 2015/16 issued by the Education Funding Authority and the Companies Act 2006.

We also acknowledge as trustees our responsibility for the design and implementation of internal control to prevent and detect both error and fraud.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other trustees and officials of the trust, the following representations given to you in connection with your audit of the trust's financial statements for the year ended 31 August 2016.

1. Completeness of audit information.

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Specifically we confirm that:

- All accounting records have been made available to you for the purpose of your audit.
- All other records and related information, including minutes of all board and other Committees relevant to audit in the financial year to 31 August 2016 and to date have been made available to you.

2. Completeness of accounting records and financial statements,

All the transactions undertaken by the trust have been properly reflected and recorded in the accounting records, and in the financial statements.

3. Significant assumptions and intentions

In preparing the financial statements the board has made the following significant assumptions relating to amounts included in or disclosed in the financial statements:

- The trustees have reviewed the assumptions included in the LPGS pension valuation provided for the purpose of the financial statement disclosures and consider them to be reasonable.

We have no plans or intentions that would, if taken into account, materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Aside from normal commercial constraints, we are not aware of any factor that will significantly reduce the likelihood of the trust achieving those of its plans or intentions that are material to the determination of the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that the above representations are our assumptions and intentions on these matters and that we consider them reasonable.

4. Unadjusted errors in the financial statements

There are no unadjusted errors as reported by you.

5. Compliance with other statutory or regulatory obligations, including tax legislation

We are not aware of any instances of possible non-compliance with statutory or regulatory obligations or tax legislation which could have a material effect on the financial statements.

6. Significant agreements

We have disclosed to you all the agreements and commitments (and any related side letters) that the trust has entered into that could have a material impact on the amounts or disclosures included in the financial statements, or are relevant to an assessment of whether the trust remains a going concern.

We are not aware of any instances of non-compliance with our contractual obligations which could have a material effect on the financial statements.

7. **Going concern**

In our opinion the trust will have sufficient resources to meet its liabilities as they fall due for the reasonably foreseeable future, and is therefore a going concern. In forming this conclusion we have expressly considered the period from the date of approval of the financial statements to at least 31 December 2017. In addition, we are not aware of any likely events, conditions or business risks beyond this period that may cast significant doubt on the trust's ability to continue as a going concern.

8. **Contingent liabilities (including litigation or claims against the trust) and events arising subsequent to the balance sheet date**

All material contingencies (including all known, actual or potential litigation or claims against the trust) that are more likely than not to result in a loss to the trust have been provided for in the financial statements.

Except for matters for which there is only a remote possibility of occurrence, the trust is not affected by any such contingency which existed at the balance sheet date and which could possibly result in material loss to the trust.

Except as disclosed in the 'Post balance sheet events' note in the financial statements, there have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should any such events occur, we will advise you accordingly.

9. **Transactions with and interests of the trustees**

We acknowledge that the trust's financial statements are required by the Companies Act 2006 and the applicable accounting standard and the Charity SORP to include specified disclosure of the nature, extent and amount of its transactions that are with, or for the benefit of, any of its trustees (or, in certain circumstances, members of their families and trusts, partnerships and other companies in which they have an interest).

We have identified and discussed with you all the transactions of the trust with its trustees and their connected persons. Consequent upon these procedures, we are able to make the following representation.

The trust has at no time during the period granted any advances or credits to, nor entered into any guarantees of any kind on behalf of, its trustees or persons connected with them.

Apart from remuneration arrangements, and reimbursement of trustee expenses, the trust has had at no time during the year entered into any other transactions with its trustees or persons connected with them.

10. Related parties other than the trustees

We acknowledge that, subject to certain specific exemptions, the trust's financial statements are required to disclose comprehensive details of transactions and relationships with its "related parties" in order to give a true and fair view. Accordingly we confirm that:

- a) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware; and
- b) We have properly accounted for and disclosed all such relationships and transactions in the financial statements.

In making that confirmation we acknowledge:

- a) the following broad definition of related parties, being: those individuals, companies and other entities connected or linked with the trust or its trustees in such a way as to make feasible the negotiation of mutual contracts on a non-arm's length basis; and
- b) the formal definition[s] of "related parties" given in the applicable accounting standard.

There are no related parties of the trust, apart from the trustees personally.

11. Control of the trust

So far as we are aware, the trust is not under the control of any other party.

12. Risks, occurrences and allegations of fraud

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Our assessment was conveyed to you in the audit planning meeting.

We are not aware of any fraud (or suspected fraud) affecting the trust involving:

- the trustees; or
- senior management and other employees that have significant roles in internal control; or
- others where the fraud (or suspected fraud) could have a material effect on the financial statements.

We are not aware of any allegations of fraud (or suspected fraud) affecting the trust's financial statements communicated by employees, former employees, regulators or others.

Yours faithfully

Accounting Officer
(Signed on behalf of the board of trustees)