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6 December 2016

The Board of Governors
Notre Dame High School
Fulwood Road
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Dear Sirs

Addendum to Audit Management Letter dated 7 November 2016

Further to our original Audit Management Letter of 7 November 2016, a matter has come to light that has resulted in the accounts presented to the Finance and Premises Committee being amended to account for the deferral of a further £41,000 grant income.

We are bringing this matter to your attention as follows:

The Finance Manager has been formulating the 2016-2017 budgets for teaching school in the period between the presentation of the accounts to the Finance and Premises Committee and the full Governors meeting to approve the accounts.

The original accounts were drawn up on the information available to the Teaching School Commercial Manager at the time, however further information has been provided during the course of drawing up the 2016-2017 budgets regarding funding received up to 31 August 2016 that was not spent at that date and was to be used to fund 2016-2017 expenditure. This information was not forthcoming to the Teaching School Commercial Manager during the original accounts preparation.

The Director of Business has not had direct involvement in teaching school finances due to policies directed during the period and was wholly reliant on information from Teaching School in the preparation of the accounts.

The lack of communications between Teaching School managers and the Teaching School Commercial Manager has led to the original accounts overstating income by £41,021. The accounts put before the full governing body for approval have been amended to account for the deferral of this income.

Since the year end, the policy that the Director of Business should not be involved in Teaching School finances has been removed which should help prevent this situation in the future. The Governors have also agreed for the internal audit function to look at controls and monitoring Teaching School income.

We recommend that the situation is discussed between Teaching School managers, the Teaching School Commercial Manager and the Finance Manager to ensure that there is clarity on the information needed and the purpose that information is needed for and then monitoring controls are put in place to ensure the school knows the true financial position at any time.

Could you please let us have your response to this matter and details of action to be taken to ensure correct accounting for Teaching School grant funding in the future.

Yours faithfully

UHY Hatcher Young