Learning Academy Partnership (South West)

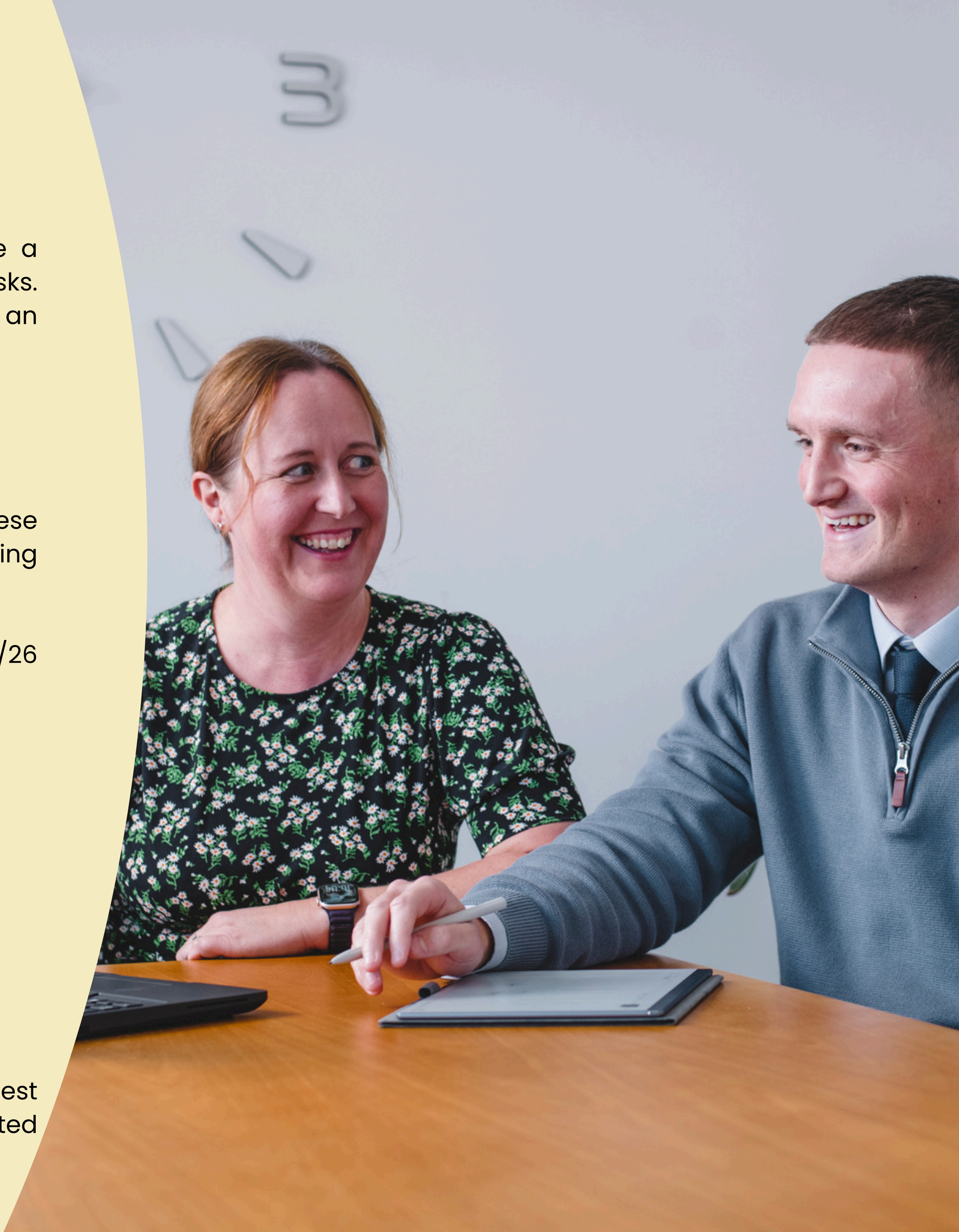
Internal Audit Review June 2026

Budgeting and Monitoring and Income and Cash Receipts

Issued by: Oliver Bright

Basis of report

The Academy Trust Handbook requires that all Trusts have in place a system for checking its financial systems, controls, transactions and risks. One of the options laid out for fulfilling this requirement is to appoint an internal auditor and it is in this capacity that we are making this report.



Timetable of work

Griffin will carry out three visits to the Trust per year in order to fulfil these obligations, one in the Autumn Term, one in the Spring Term and one during the Summer Term.

As documented in the Internal Audit Plan, over the course of the 2025/26 financial year our work will cover the following key areas:

- Internal Control Framework
- Anti-Fraud Framework
- Payroll and HR
- Redundancy Payments
- Governance
- Recruitment and selection
- Budget Monitoring
- Income and Cash Receipts
- Risk Management
- Cyber Security

Our work will establish the existing systems that the Trust has in place, test whether these systems are being followed and make suggested improvements.

Work completed

Budgeting and Monitoring

- Ensured approval of the Trust's budget.
- Evaluate assumptions used in the Trust's forecasting.
- Review of previous internal audit report by the Audit and Finance Committee.
- Review management accounts frequency.
- Detail of financial information provided to the Finance Committee.
- Ensured accurate financial information is provided to Trustees.
- Review evidence of challenge from Trustees.
- Check on finance Committee meeting frequency and DfE returns.
- Review reserves policy and position.

Income and Cash Receipts

- General Annual Grant
- Pupil census returns
- Pupil Premium
- School Trips
- Breakfast & Afterschool clubs

Report Priority Rating Key

R **Fundamental** findings that need the immediate attention of management.

A **Important** findings that require management attention, but are not fundamental in nature.

G **Minor** issues that can be improved or administrative errors that require correcting.

This issue has been resolved.

Prior year recommendations

Summary of previous findings

Date raised	Area	Finding	Rating	Update
December 2025	Internal Controls	Service Contracts	G	Outstanding
February 2026	Internal Controls	Declaration of Interests	G	Outstanding

Internal Controls

	Finding	Recommendation	Priority	Management response
1.	**Service contracts** The cleaning contract with Devon Norse has been on a rolling basis for a few years. It is therefore unclear whether value for money is still being achieved.	We recommend that large contracts go out for re-tender every three to five years to ensure that the Trust is obtaining value for money and that this is reflected in the Trust's finance policy. **Update February 2026:** Since this contract will not be renewed until September 2026, this point will remain until evidence of the tendering process and new contract has been viewed. **Update June 2026:** A full tender process will be carried out during the 2026/27 academic year, ahead of the contract renewal in September 2027.	G	Agreed. This contract will be reviewed and re-tendered during the current academic year. We will ensure that a new contract, with suitable and clearly defined end dates, is in place to commence on 1st September 2026.

Internal Controls

2.	**Declaration of interests** There were two directorships missing for H Burge's, which were identified from our review of Companies House. The details of M Graves' directorship was also missing from the register of interest on the Trust website.	We recommend that all declaration of interest forms are reviewed/cross checked against Companies House. We would recommend that Trustees complete a declaration of interest form at the beginning of each academic year and that they are given the opportunity to declare any updates at each board meeting throughout the year. **Update June 2026:** We reviewed the meeting minutes with reference to any newly disclosed declarations during the year. No such disclosures were made and, therefore, the point remains.	G	Management has reviewed the observations in respect of director declarations and provides the following clarification: • The interests relating to Cathedral (Mark) and Windle (Helen) were not declared as both entities are dormant and not actively trading. • In relation to Ann, her interest was not included on the signed declaration form dated September 2025, as she was not a director of Elevate at that time.

Work Completed

Budgeting and Monitoring

	Work completed	Result	Conclusion
1.	**Approval of the Trust's budget** Obtained a copy of the Trust's budget and agreed approval by Trustees. If total unrestricted plus restricted reserves are forecast to be in deficit has the Trust notified DfE within 14 calendar days of the budget approval meeting?	The Trust completed a reforecast of their original budget in November 2025. They are currently preparing their 3 year forecast in preparation for the 2025/26 Budget Forecast Return submission (BFR) required in August 2026. From their last BFR, a surplus has been forecast for 25/26, with revenue deficits then forecast for 26/27 and 27/28, predominantly due to an increase in staff costs and reduction in expected GAG income.	No issues to note.
2.	**Evaluate assumptions used in the Trust's forecasting** Reviewed the key planning assumptions used in the budget forecast report presented to the Finance Committee and considered whether or not these are reasonable.	Key assumptions underpinning the budget forecast are derived from a combination of subject matter expertise and ISBL planning assumptions, reflecting factors specific to the education sector. Cost projections for less predictable expenditure are based on current cost levels and are adjusted in line with anticipated inflation. Where feasible, overhead costs, such as energy, are secured under fixed-term arrangements, and the agreed fixed rates are applied within the forecast.	No issues to note.

Budgeting and Monitoring continued

3.	**Review of previous internal audit report by the Audit and Finance Committee** Checked that Governors received a copy of the last internal audit report in a timely manner. Determined if the findings and recommendations have been reviewed and a plan in place to rectify the issues.	The most recent internal audit was conducted in February 2026. The resulting report was circulated to the Audit, Risk and Resources Committee in a timely manner and was formally reviewed at the subsequent meeting held on 5 March 2026.	No issues to note.
4.	**Management accounts frequency** It is a requirement of the ATH that management accounts are prepared monthly (consisting of SOFA, Balance Sheet, budget variance reports, cash flow forecasts and sufficient information to manage cash, debtors and creditors) and should be shared with the Chair of Trustees every month.	Management accounts are prepared on a monthly basis and are shared directly with Trustees via Microsoft Teams. The management accounts package includes a Balance Sheet, Cash Flow report, and aged debtor and creditor reports. It also incorporates a financial summary highlighting any significant month-on-month variances and key movements in financial performance.	No issues to note.

Budgeting and Monitoring continued

5.	**Financial information provided to Trustees**		
	Obtained a copy of the most recent finance report provided to Trustees and review the meeting minutes for evidence that they have reviewed the actual figures against budget.	During the most recent Audit, Risk and Resource committee meeting, a review was performed of management accounts circulated to the board.	No issues to note.
	Considered whether the report provided to Trustees is appropriate for them to understand the financial results and how they are doing compared to budget.	The Trustees are provided with a range of financial information, which detail an overview of the trust's financial activities and overall position. This includes a summary report, which details movement in reserves, financial difficulties and potential opportunities relevant to the academy at any one time.	
6.	**Accuracy of the management accounts provided to Trustees**		
	Agreed income, expenditure and balance sheet totals per the most recent management report to the accounting software for that period, and ensured the Finance Committee are receiving accurate financial information.	Income, expenditure, and balance sheet balances reported in the March 2026 management accounts have been reconciled to the Trust's accounting system (PSF). No material discrepancies were identified, providing assurance that the information presented to Trustees is both accurate and reliable. In addition, the bank balance for the academy's primary account, as reported in the March 2026 management accounts, has been reconciled to both the accounting system and the corresponding bank statement, with no variances noted.	No issues to note.

Budgeting and Monitoring continued

7.	**Evidence of challenge from Trustees** Reviewed the meeting minutes from the most recent available Trustee meeting for evidence that the financial performance was subject to challenge from the Trustees.	A review of the Audit, Risk and Finance committee meeting minutes evidenced appropriate levels of scrutiny by Trustees. The finance overview document was primarily used to facilitate discussion on significant variances and the underlying assumptions adopted. Material changes in costs were subject to challenge, with management providing supporting rationale where required.	No issues to note.
8.	**Finance Committee meeting frequency and DfE returns.** Confirmed that the Finance Committee has met at least termly and all DfE returns have been submitted in a timely fashion. For the budget forecast, confirm the figures submitted agreed to the budget authorised by Trustees.	The Audit, Risk and Resources Committee has met on three occasions during the year to date and has at least one further meeting scheduled prior to the year end. Management accounts have been presented and discussed at each meeting held to date, supporting effective financial oversight. The three-year budget forecast return was submitted on 4 August 2025, and the forecast surplus/deficit positions reported within the return are consistent with those outlined in the budget overview approved by the Trustees.	No issues to note.

Budgeting and Monitoring continued

9.	**Reserve policy and position**		
	Reviewed the prior year accounts to establish the reserves policy and checked if this is still applicable.	The Trust's reserves policy is to maintain a minimum level of reserves equivalent to approximately one month's salary costs. Based on the 2025 financial statements, this is estimated at £1,043,827 (excluding pension and depreciation). The policy was last reviewed in Autumn 2025.	No issues to note.
	Checked what is the current reserves position of the academy and what is the forecast for the current financial year. If reserves are lower than the policy or forecast to be lower than the reserves policy, established what action is being taken.	The Trust is currently in a strong reserves position, with free reserves of £1,251,601 reported in the 2025 accounts. The academy is forecasting a modest surplus for the 2025/26 academic year, which is expected to maintain their healthy reserves position at year-end. However, larger deficits are projected in subsequent years, and these have been reviewed and discussed by the Board.	
10.	**Key information present on Trust website**		
	Reviewed the Trusts website to identify whether the following key information was uploaded within adequate time and an accessible location: • Audited report and accounts uploaded to the Trust website by 31 January • Governance arrangements • Higher paid staff	We have reviewed the Trust's website and confirmed that all key information required under the Academy Trust Handbook has been appropriately disclosed. The relevant disclosures have been made within the prescribed timeframes and are readily accessible to members of the public.	No issues to note.

Work completed

Income and Cash Receipts

	Work completed	Result	Conclusion
1.	**General Annual Grant**		
	Obtained the funding schedule from the DfE. Agreed the cash receipts and the posting to the accounting system for two months.	GAG funding schedules were obtained for each individual school within the Trust. A sample of these was selected and agreed to amounts received in the bank, with verification that each transaction had been accurately recorded and reconciled within the financial system.	No issues to note.
	Ensured amounts received agreed to the funding schedule.	All amounts tested were found to be consistent with the corresponding funding schedules and were reconciled correctly within the financial software. The Trust operates GAG pooling and has an established policy outlining its processes. The policy evidences a needs-led and transparent approach to funding allocation, alongside a formal three-stage appeals process for schools, which is compliant with Academy Trust Handbook requirements	
2.	**Pupil Census returns**		
	Agreed pupil numbers per the HR software, to the pupil census at that date.	Pupil census data was reconciled to the HR system and found to be consistent.	No issues to note.
	Selected a sample of students on the census and agreed them to the attendance records.	A sample of 10 students were tested to confirm attendance before, during, and after the census date, verifying that only pupils present at the time were included in the census data.	

Income and Cash Receipts continued

	Work completed	Result	Conclusion
3.	**Pupil Premium** Obtained confirmation of Pupil Premium from DfE spreadsheet. Agreed one quarterly payment to the Trust's accounting system and cash receipt. If not agreed, then evidence was obtained that the difference has been reconciled. Established the procedures that are in place for the Trust to maximise on pupil premium funding.	Pupil Premium income per the DfE allocation statement did not agree to the cash receipt for the period tested. However, the cash received was successfully agreed to a sample of remittances received by the Trust. The variance between the DfE statement and the cash receipt is attributable to in-year adjustments, such as changes in pupil numbers, which are routinely reconciled by the Trust. Schools demonstrate a proactive approach to promoting eligibility through targeted communications, such as leaflets and awareness materials, to encourage applications and highlight benefits. They are able to identify potentially eligible families, with pastoral and administrative staff providing direct support to help complete applications and increase uptake.	No issues to note.

Income and Cash Receipts continued

	Work completed	Result	Conclusion
4.	**School Trips** Selected 2 school trips during the year, obtained a copy of the trip costing sheet and ensured this has been approved by the appropriate budget holder. Ensured there is a record of which students have paid for the trip by selecting a student that has paid and agreeing this back to the cash receipt. Checked procedures that are in place for chasing non paying students and ensured this procedure has been followed. Ensured the selected trips income covers the costs, or if subsidised by GAG/unrestricted funds and for educational purposes, ensured this was budgeted or approved by trustees.	Costing reports for two school trips were reviewed and appropriately approved. BromCom is used to monitor student balances, with some outstanding amounts identified; however, these are actively being followed up. The costing reports document any balances that are being subsidised through Trust funds where appropraite for Pupil Premium and Free School Meal children. All subsidised costs have been appropriately authorised.	No issues to note.

Income and Cash Receipts continued

	Work completed	Result	Conclusion
5.	**Breakfast & After School Clubs** A sample of five students attending each club was selected from the booking system, it was ensured that: • The child attended as per the attendance records, and where they didn't, a credit was added to their account for the missed session. • They have paid for the booking and the payment agreed to the money received through the bank statement. • The amount paid has been correctly posted in the accounting software.	A sample of five pupils attending breakfast club and five pupils attending after school club was selected. All sampled pupils were appropriately booked onto sessions, and payments had been made to cover attendance. The school is currently in the process of implementing full attendance recording within BromCom. All income received was traced through the financial system and found to be appropriately recorded and reconciled within the accounting software.	No issues to note.

Recommendations

Summary of findings

Area	R	A	G
Budgeting and Monitoring	–	–	–
Income and Cash Receipts	–	–	–

Budgeting and Monitoring

Finding	Recommendation	Priority	Management response
From our testing of the systems and controls around budgeting and monitoring and income and cash receipts, we have not identified any recommendations. This is testament to the CFO and her team.			

Griffin
Chartered Accountants

Certified
B
Corporation
bcorp.com

Griffin Chartered Accountants
Courtenay House, Pynes Hill
Exeter EX2 5AZ
01392 241228
griffinaccountancy.co.uk