

9 December 2021

The Trustees
Lighthouse School
Arthington House
Hospital Lane
Cookridge
Leeds
LS16 6QB

Dear Sirs

LIGHTHOUSE SCHOOL
MANAGEMENT LETTER FOR THE YEAR ENDED 31 AUGUST 2021

Audit approach and areas covered by the audit

Our audit of Lighthouse School was risk-based and we adopted a substantive approach that focussed on the testing of key balance sheet areas and a various samples of transactions during the year.

Audit findings

As a result of the procedures which we undertook as part of our audit work on the Lighthouse School for the year ended 31 August 2021 the following matters were identified:

Issue (Risk level)	Description	Response
Cash flow forecast not included in management accounts. (medium).	As per the AFH 2020, a Cash Flow Statement should be incorporated as part of the full set of management accounts.	With limited resources associated with staff absences due to covid and with between £500 and 700K in the bank account; the preparation of detailed monthly cashflows would not provide any useful management or risk assessment data that would be beneficial to the financial management of the Trust. Going forward a cashflow will be included in the management accounts.

The following issues were identified from the review of internal systems and controls during the year:

Risk register and risk control procedures. (Low).	An internal audit was performed by Veritau reviewing the risk register and risk procedures. The issues raised in the report are being dealt with by the academy	All the issues raised in the internal report have been addressed by the Trust.
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Status of audit recommendations from the previous year

Issue	Status
It was highlighted that donations received were to be classified correctly (i.e. capital grants shown within capital income)	All income in 2020-21 has been correctly classified.
It was highlighted that financial forecasts were not receiving independent review by independent appropriately qualified person	Appointed Governor who is qualified accountant who now oversees financial forecasts prepared by the school.
It was highlighted that key finance personnel should perform a self-evaluation of competencies to highlight any skills gaps	Self-evaluation forms were circulated to members of finance personnel.
It was highlighted that payments may be missed as only Business Manager was trained in BACS payment runs	Finance assistant received training in how to perform a BACS payment run, and bank mandate was updated to allow assistant to upload BACS to the bank.
It was highlighted that there were a number of differences on control accounts relating to balance sheet items	There was a similar difference in the draft accounts however this has now been rectified and the balance sheet reconciled.

Gibson Booth, Chartered Accountants, accepts no liability to anyone other than the company as a result of this letter.

Yours faithfully



GIBSON BOOTH