

St Mary's and St Peter's Pre School

**Review of Financial Statements
For
31 August 2023**

Review of St Mary's and St Peter's Pre School **Year ended 31 August 2023**

Objective of Review

A review of the St Mary's and St Peter's Pre School was requested by Allison Peach, School Business Manager, and Helen Swain, Head Teacher, of St Mary's and St Peter's Primary School on behalf of the Trustees of the Pre School. The purpose of the review was to carry out appropriate checks and tests to ensure that internal systems and adequate records are maintained and that the financial statements for year ended 31 August 2023 (attached at Appendix A) are in accordance with those records.

Compliance with statutory or regulatory requirements applicable to the Pre School was outside the scope of this review.

This report sets out the approach and findings of the review.

Approach

The systems of control and accounting records, which operate, were documented through discussions with St Mary's and St Peter's School Business Manager.

The accounting records are maintained on spreadsheets specifically designed for the school.

Income and expenditure reports are prepared for each month and a bank reconciliation is prepared monthly.

Budgets are prepared at the beginning of the academic year and there is a budget monitoring meeting every two months.

The payroll is calculated by an external bureau (Strictly Education Ltd) based on information provided by the School Business Manager, which is taken from timesheets submitted by the manager and approved by the head teacher.

Petty cash is reconciled monthly.

A review of the income and expenditure accounts for year ended 31 August 2023 was undertaken.

Testing of expenses included taking a sample of 20% expenditure transactions and checking from original invoice and approval through to posting on the spreadsheet and payment through the bank.

Testing of payroll costs included taking a sample of 20% of payroll payments and checking from original time sheets and approval, to the information submitted to the payroll bureau and eventual payment through the bank.

Testing of income included taking a sample of 20 % of receipts and checking from schedules prepared by the Finance Office to receipt in the bank.

The bank reconciliation reports were reviewed and agreed to the bank statements for each month.

The budgets were reviewed and a comparison to actual data undertaken.

Summary of Review Findings

The systems of internal controls in place are satisfactory and the figures shown in the financial statements (Appendix A) reflect the records maintained in the Finance Office.

The financial statements show a surplus for the year of £13,289.13 .

For more information please see the detailed findings at Appendix B.

Appendix A
Income and Expenditure Account for the year ended 31 August 2023

	£	£
INCOME		188,947.55
EXPENDITURE		
	112,859.5	
Staff	8	
Administration	21,000.00	
Premises	36,618.00	
Resources	1,176.70	
	<u>4,004.1</u>	
Sundry costs	<u>4</u>	
		<u>175,658.42</u>
Surplus for the year		<u>£13,289.13</u>

Balance Sheet 31 August 2023

Bank Balance		<u>£137,516</u>
Funds at 1 September 2022		124,226.87
Surplus for the year		<u>13,289.13</u>
		<u>£137,516.0</u>
		<u>0</u>

Lesley Cornwell on behalf of Cornwell & Cornwell
Chartered Certified Accountants
194 Stanley Road
Teddington
TW11 8UE

15 June 2024

Appendix B

Detailed Findings

Internal System - Expenditure

The expenditure was supported by appropriately authorised personnel and original invoices/receipts and posted to the spreadsheet.

Internal System - Payroll

The timesheets are filled out by the Pre School manager and then given directly to the Headteacher for approval. The hours are then transferred onto a spreadsheet and sent to the payroll bureau by the School Business Manager.

Internal System – Income

The system put in place to record the amount of fees owed/paid by parents for their children is adequate given the size of the operation and administrative staff involved.

All receipts from funders was cross checked to schedules.

Bank Reconciliation

There were no differences between the balance of funds on the accounting spreadsheet and the bank statements. Bank statements are reconciled regularly.

Year end creditors

The accounts are prepared on an income and expenditure basis so do not include any creditors outstanding at the year end or any adjustments for refundable deposits and fees paid in advance.

Petty Cash

A detailed review of the petty cash system was undertaken.

Administration charges and rent

Administration fees of £21,000 and rent of £35,000 were paid to Saint Mary's and St Peter's Primary School.