



Audit findings report

Farnham Park Sports Fields

Year ended 31 March 2023



Strictly Private & Confidential

The Trustee
Farnham Park Sports Fields
The Gateway
Gatehouse Road
Aylesbury
Bucks HP19 8FF

Our ref: DWC/PEM/AM15009
September 2023

Dear Sir

Farnham Park Sports Fields
Audit findings for the year ended 31 March 2023

This Audit Findings Report highlights the significant findings arising from the audit for the benefit of those charged with governance. We appreciate that you may be aware of some of the matters contained in this report, however as required by International Standard on Auditing (UK) 260 we are communicating them to you formally.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs UK), which is directed towards forming and expressing an opinion on the financial statements. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, including those in respect of the preparation of financial statements.

There is more detail in respect of the responsibilities of the auditor and those charged with governance within our engagement letter. Our standard terms and conditions can be found at <https://www.azets.co.uk/terms-of-business>.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during our audit. If we can be of any further assistance, please contact David Cary or Philip Moretti.

Yours faithfully

David Cary
Senior Statutory Auditor
Azets Audit Services

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1. Executive summary

Audit overview

This table summarises the significant matters arising from the statutory audit of Farnham Park Sports Fields for the year ended 31 March 2023 for those charged with governance.

Audit opinion	<p>We do not propose any modifications to our audit opinion which is unqualified.</p> <p>We have no matters to report regarding the adoption of the going concern basis or inadequate disclosures relating to material uncertainties.</p> <p>Our audit work is substantially complete and there are currently no matters which would require modification of our audit report, subject to the outstanding matters detailed below:</p> <ol style="list-style-type: none"> 1. Signed financial statements, approved by the Board. 2. Signed letter of representation approved by the Board. 3. Confirmation that there are no further balance sheet events.
Key findings on audit risks and other matters	<p>We have reported our audit findings and adjustments made in this report.</p> <p>We are pleased to report that the audit progressed well from our perspective and to a reasonable timetable.</p>
Audit adjustments	<p>We are required to communicate all actual and potential adjustments, other than those considered to be clearly trivial, to management and to request that management corrects them.</p> <p>Audit adjustments can be seen in the reconciliation to accounts below.</p> <p>The aggregate impact of adjusted misstatements on the Statement of Financial Activities was £41,609.73.</p> <p>The aggregate impact of unadjusted misstatements on the statement of financial activities, were they to be processed, would result in an increase to the charity's deficit of £15,842.07 which is immaterial to the financial statements.</p>
Accounting systems and internal controls	<p>We have applied our risk-based methodology to your audit. This approach requires us to document, evaluate and assess your business processes and internal controls relating to the financial reporting process.</p> <p>Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you in this report. We have highlighted various observations but no material weaknesses or significant deficiencies were noted.</p>

2. Significant audit findings

This section of our report includes a summary of significant audit findings relating to significant risk areas identified at planning and other risk areas that required special consideration or arose during the course of the audit.

Significant risk areas identified at planning

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

Significant risks at the financial statement level

The below table summarises conclusions in relation to significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Key risk area	Audit Approach	Conclusions
<p>Management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk</p> <p>Risk of material misstatement: High</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> • Review of accounting estimates, judgements and decisions made by management; • Testing of journal entries; • Review of any unusual significant transactions; 	<p>Based on the work undertaken we noted no override of controls that could have a material impact on the financial statements</p>

<p>Going Concern</p> <p>Under ISA (UK) 570 an entity is ordinarily viewed as continuing for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of its activities</p> <p>Risk of material misstatement: High</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include</p> <ul style="list-style-type: none"> • Review of management’s going concern assessment including review of budgets/ forecasts. • Review of post year end management accounts and other information • Obtained confirmation of continuing support from Buckinghamshire Council <p>Based on the evidence provided, and discussions held, we have concluded that management’s use of the at basis is appropriate.</p>
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Significant risks at the assertion level for classes of transaction, account balances and disclosures

The below table summarises conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Key risk area	Audit Approach	Conclusions
<p>Completeness of income and revenue recognition</p> <p>Under ISA (UK) 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. There is also a risk that revenue is understated as it is not all included.</p> <p>Risk of material misstatement: High</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> • Review and testing of revenue recognition policies • Cut off procedures will be performed • Review of contracts to ensure income expected is in accordance with income received • Daily and monthly income reports compared to supporting documentation and to entries in the accounting records. 	<p>Based on the work undertaken we noted no evidence of material understatement of income in the financial statements.</p>

Other identified risks

The below table summarises conclusions in relation to other identified risks which although are not considered to be significant required specific consideration during the audit.

Identified risk of material misstatement	Audit approach	Conclusion
<p>Debtor valuation</p> <p>Due to the nature of the customers there may be an impact on the recoverability of debts</p> <p>Inherent risk of material misstatement: Medium</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> Discussed the policy on refunds for unavailability of facilities and the recoverability of amounts due from debtors as at the year end 	<p>Based on the work undertaken we noted no evidence of material misstatement in the financial statements.</p>

3. Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Management's assessment of going concern

The Charity has prepared the financial statements on the going concern basis. Management believe that the financial statements should be prepared on the going concern basis.

Management's assessment covers a period of at least 12 months from expected date of approval of the accounts and includes assurances of continuing support throughout that period from Buckinghamshire Council.

Audit work performed

We have reviewed management's going concern assessment which includes the budget for 2023/24, and the continuing support of Buckinghamshire Council.

We have confirmed management's going concern assumptions through discussions at the planning and clearance stages and obtained written representations

Disclosures

We have reviewed the disclosures set out in the financial statements and consider them to be satisfactory.

Conclusion

We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.

4. Audit communication

Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the business and the needs of the users.

Accounting policies

The accounting policies used in preparing the financial statements are unchanged from the prior year. These have been deemed appropriate for the audited period.

Presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the entity. We identified a number of reclassification adjustments and some presentational issues in the financial statements, and these have all been amended.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. In the event that the trustees wish to obtain enhanced assurance with regard to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.

Written representations

The final letter of representation has been provided to the Board to sign at the same time as the financial statements are approved.

Related parties

We are not aware of any related party transactions which have not been disclosed.

Confirmations from third parties

All requested third party confirmations in respect of stock and bank confirmations have been received.

5. Adjusted misstatements

Adjusted audit differences

Our summary of adjusted audit differences is presented below. We have discussed these with management and confirmed they should be adjusted for.

No	Detail	Assets	Liabilities	Equity	SOFA
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of Adjustments					
1	Cost of addition	44,280.00			
	Depreciation on addition	(4,428.00)			4,428.00
	Profit on disposal of asset				(8,400.00)
	Cost of asset disposal	(19,435.00)			
	Accumulated depreciation of disposal	19,435.00			
	Equipment/machinery/Purchase P & L				(35,880.00)
	Purchase of new tractor and depreciation thereon and part exchange of existing vehicle.				
2	Cost of addition	19,750.00			
	Depreciation on addition	(1,975.00)			1,975.00
	Restricted funds reallocation re				
	Equipment/Machinery/Purchase P&L				(19,750.00)
	Capitalisation of boiler/shower from Heat Quick direct and depreciation thereon originally allocated against restricted funds				
3	Accruals		(14,880.00)		
	Audit fees (P&L)				14,880.00
	Provision for Azets fees as per pre audit letter £12,400+VAT				
4	Prepayments	5,800.00			
	Income				(5,800.00)
	Amend posting estimation of recharges to be invoiced to tenants				
5.	Other debtors	23,835.50			
	Other creditors		(23,835.50)		
	Reclassification of VAT on balance sheet to debtors				

6	Donations and grants		(77,724.00)
	Materials		33,384.00
	Building repairs and maintenance.		8,460.00
	Equipment/Machinery purchase		35,880.00
	Reallocation of monies received from the Buckinghamshire Council Reserved Fund		
7	Income from charitable activities		(42,941.00)
	Expenditure from charitable activities		42,941.00
	Reallocation to reconcile management fee charged to Buckinghamshire Council for the year		
8	Wages and salaries		6,937.27
	Other creditors	(6,937.27)	
	Provision for holiday pay accrual as at 31 March 2023		
9	Trade debtors	(8,346.38)	
	Provision for bad debts	8,346.38	
	Slough Town FC bad debt provision now restated as actual bad debt		
10	Fixed asset cost B/fwd	49,564.00	
	Fixed asset accumulated depreciation B/fwd	(49,564.00)	
	Adjustment to Fixed asset register and opening fixed assets in the financial statements in relation to 2022 impairment provision		
Total net increase in Funds			£(41,609.73)

6. Unadjusted misstatements

Unadjusted audit differences

Our summary of unadjusted audit differences is presented below. We have discussed these with management and confirmed that all unadjusted differences are collectively and individually under materiality.

No	Detail	Assets	Liabilities	Equity	Profit / (loss)
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of unadjusted audit differences					
1	Trade creditors		(16,071.86)		
	Expenditure on charitable activities				(15,842.07)
	VAT	229.79			
	Expenditure posted after the year end in Xero relating to the year ended 31 March 2023 and therefore potential to provide for				
Total net reduction in Funds					(15,842.07)

7. Internal controls

Control environment

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported below are limited to those deficiencies that we have identified during the audit.

Control weaknesses and recommendations

Control weaknesses and recommendations identified from our current year work are summarised below. The control weaknesses are categorised into three risk ratings as shown in the key.

Key

1. Significant deficiency
2. Other deficiency
3. Other observations

Table of control weaknesses and recommendations

Risk rating	Control weakness identified	Implication	Recommendation	Management Response
1	N/A	N/A	N/A	N/A
2	Existence and write down of fixed assets	As in previous years a review of the records identified additions and disposals not previously reflected on the fixed asset register	The fixed asset register should be reviewed on a regular basis by individuals on site to identify any discrepancies and those individuals should ensure they notify the individuals responsible for accounting whenever any change in assets held occurs.	Noted. Operational management to notify Finance colleagues when an update to the fixed asset register is required. Finance will then update accordingly.

2	Setting off of income against expenditure	<p>There needs to be avoidance of netting off monies donated or received, given to be utilised for specific purposes as charities should in most circumstances recognise income gross. An example is funds from the Buckinghamshire Restricted fund of £78K which were originally matched off against the subsequent expenditure in the accounting records and therefore netted off in the financial statements</p>	<p>Ensure different nominal ledger codes are used in the accounting records for funds received and the subsequent related costs as this should assist in ensuring they are then appropriately reflected in the Statement of Financial Activities</p>	<p>Noted.</p>
3	Depreciation	<p>As mentioned last year where assets are still being used within the business, despite having been fully depreciated this would suggest depreciation is being reflected in the Statement of Financial Activities quicker than required and does not reflect the true economic life of the assets</p>	<p>A review should be undertaken of the useful economic lives of assets so that going forward they reasonably reflect the lifespan over which usage is expected</p>	<p>Noted. Management to review useful economic lives as recommended.</p>
3	Land and buildings	<p>We note that an insurance valuation of the land and buildings is due in 2023/24.</p>	<p>We would recommend that this valuation be reviewed for accounts purposes at 31/3/24 to ensure that if the value is impaired an appropriate impairment provision is made.</p>	<p>Noted. Valuation to be reviewed and if required, an impairment provision to be processed in future.</p>

3	Charity Annual return	<p>The Charity Annual Return for the year ended 31 March 2022 was shown as filed 163 days late. We are advised that this was due to the requirement to resubmit the return. The lateness of the submission will be recorded permanently on the Charity Commission website.</p>	<p>Consideration to be given as to having procedures in place to avoid the Charity Annual return not being submitted within 10 months of the year end</p>	<p>Noted. Once fully signed, management aim to submit return immediately thereafter.</p> <p>Note that issue was not about promptness of the original filing but due to an error in the original upload. The process going forward will include a check that the correct information is uploaded.</p>
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8. Independence and ethics

In accordance with our profession’s ethical requirements and further to our audit planning letter issued confirming audit arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity, and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC’s Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Audit and non-audit services

The following services excluding VAT were provided in the year to 31 March 2023 and to 31 March 2022.

Audit services	Fees 2023 £	Fees 2022 £
Audit of charity	12,400	10,000
Total audit services	12,400	10,000

Non-audit service	Fees 2023	Fees 2022	Type of threat	Safeguard
VAT advisory services	£950	£Nil	Management / self-review	Advice provided by a member of a separate VAT Team

A large version of the AZETS logo, centered on a dark blue background with a faint, repeating pattern of small triangles. The 'A' is green with a white bar, and the checkmark is green. The word 'AZETS' is in white, bold, sans-serif font.