

Silvester Horne Institute Charity Accounts 2020/21 Independent Examination

The independent examination of the Silvester Horne Institute Charity Accounts for the year ended 31st March 2021 was carried out by undertaking the following tests:

- Review of the receipts and payments accounts and all disclosure notes
- Review of Trustee Report including consistency of financial information with the Charity Accounts
- Review of minutes
- Review of bank reconciliations including substantive testing of year end bank reconciliation
- Review income and expenditure categories by comparison with the prior year.
- Checking that books of account have been properly kept throughout the year
- Verify that opening balances are brought forward correctly
- Review of fixed asset register

Conclusion

Please see the independent examination certificate for the statutory conclusion.
The action plan overleaf details the issues identified during the independent examination relating to improvements in the system of accounting.

JDH Business Services Ltd

**Silvester Horne Institute Charity Accounts
2020/21 Independent Examination**

Test Area	Findings	Action	Management Response /Follow Up
2020/21 independent examination			
Follow up prior year issues	There are still actions outstanding from the prior year action plan.	<i>Recommendations should be implemented on a timely basis.</i>	
2019/20 Action Plan			
Review of accounts and disclosure notes	The note B4 states that all fixed assets belong to the 'unrestricted' fund. Also see issue re consistency of account categories below.	<i>The sole trustee is currently reviewing the charity and part of that review should involve identifying which fixed assets are restricted, unrestricted or endowment funds.</i>	Recommendation Outstanding
Review of Trustee Report including consistency of financial information with the Charity Accounts	No issues arising		
Review of minutes and other documentation	No issues arising		

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Review of bank reconciliations	No issues arising		
Review of all detailed income and expenditure categories.	There is inconsistency between the classification of items in income and expenditure categories between financial years.	<i>The council should determine a consistent categorisation of items in the respective account headings to ensure consistent comparison between financial years, and where necessary using a prior year adjustment for the disclosure of comparatives to ensure a like for like disclosure of financial information.</i>	Implemented
Checking that books of account have been properly kept throughout the year.	See above issues		
Verify that opening balances are brought forward correctly	No issues arising		
Review of fixed asset register	The fixed asset register includes an inventory total of £25026 for 'Contents of SHI' but the inventory to support this information was not provided. Also see outstanding issues from 2018/19.	<i>The trustee should identify the inventory that supports the £25026 entry in the fixed asset register and carry out a review to ensure the inventory is up to date for all equipment capital additions and disposals for this fixed asset category.</i>	Recommendation Outstanding

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2018/19 independent examination			
Review of accounts and disclosure notes	<p>The original accounts presented for independent review comprised an ad hoc format with a mixture of printouts from the RBS accounts system, Word documents and spreadsheets.</p> <p>The accounts were presented on accruals basis but there is no requirement for this size of charity to submit comprehensive SORP accruals accounts, instead basic receipts and payments accounts can be submitted.</p> <p>We recommended the Charity accounts were completely revised to receipts and payments accounts using the recommended format provided by the Charity Commission.</p>	<p><i>All changes actioned by RFO. Final version of receipts and payments accounts using Charity Commission recommended format used. The revised accounts were checked and agreed as correct.</i></p>	
Review of Trustee Report including consistency of financial information with the Charity Accounts	<p>The trustee report and the charity commission website details note there is a linked charity called Holt Endowment Fund for which no details could be identified.</p>	<p><i>Details of the Holt Endowment Fund should be secured, including whether this should be recorded as a restricted fund within the charity accounts.</i></p> <p><i>A review should be carried out to</i></p>	<p>Recommendation outstanding</p>

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	The trustee report indicates that there are earmarked reserves for the charity. However, these are not recorded in the accounts and we could identify no record of the current and past levels of the earmarked reserves.	<i>identify the level of earmarked reserves which should then be disclosed as restricted reserves in the 2019/20 charity accounts.</i>	
Review of minutes and other documentation	No issues arising		
Review of VAT status	VAT is reclaimed from HMRC via the Town Council VAT registration, even though the primary income received is from VAT exempt services. There is no documentation available to evidence that the VAT arrangements operating at the Charity have been accepted by HMRC.	<i>The Trustee should secure the services of a VAT consultant to carry out a review of the VAT arrangements of the charity.</i>	The Town Council has engaged a VAT consultant to review and resolve the VAT issues relating to the Town Council and all associated sole trustee charities.
Review of insurance	There is no control document in place to evidence that an annual review has been carried out to ensure all assets are appropriately insured	<i>The Trustee should ensure that all the charity assets are appropriately insured.</i>	No feedback provided to date as to whether this has been actioned.
Review of bank reconciliations	No issues arising		
Review of all detailed income	The aged debtor listing contains a	<i>An incomes policy should be</i>	Recommendation

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and expenditure categories by comparison with the prior year.	number of aged debts.	<i>established including credit control over aged debts and procedures to follow where there are bad debts.</i>	outstanding
Checking that books of account have been properly kept throughout the year	No issues arising		
Verify that opening balances are brought forward correctly	No issues arising		
Review of fixed asset register	There was no evidence a review is carried out annually to identify capital expenditure to be included as additions to the fixed asset register	<i>The expenditure in the ledger should be reviewed annually to identify any capital additions for inclusion in the fixed asset register.</i>	Recommendation outstanding
Review and follow up of prior year independent examination report	No issues raised		