

The Board  
Ribbon Academy Trust  
The Ribbon  
Barnes Road  
Murton  
Seaham  
SR7 9QR

Our Ref: BAL/MB/08554  
Date: 24 November 2021  
Reply email: brian.laidlaw@taitwalker.co.uk

Cc. Education & Skills Funding Agency

Dear Sirs,

**Ribbon Academy Trust**  
**Year ended 31 August 2021**

In accordance with recommended practice, we are writing to draw to your attention to various matters which have arisen during the course of our audit of the academy trust's financial statements for the year ended 31 August 2021.

**a. Auditor's report**

There are no expected modifications to the auditor's report.

**b. Accounting Adjustments**

A schedule of all accounting adjustments which have been discussed during the audit field work and which have been agreed to be adjusted within your financial statements is attached to this letter at Appendix 4.

We have identified the unadjusted misstatements during the course of our audit, as attached to this letter in Appendix 5.

**c. Significant weaknesses in your accounting and internal control systems**

Our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements. Appendix 1 details the actual and potential weaknesses identified during the course of our audit and our recommendations for improvements. It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.

The recommendations identified are summarised as:

Red / High	Amber / Medium	Green / Low	Total
0	0	1	1

We have reviewed the control deficiencies identified during the audit performed for the previous period as part of our work. Of these control deficiencies brought forward, the following were not resolved within the year. This has been reported within Appendix 3.

The control deficiencies brought forward are summarised as:

Red / High	Amber / Medium	Green / Low	Total
0	0	0	0



**d. Suitability of your accounting practices and financial reporting**

We believe that your accounting records are appropriate for your financial reporting purposes.

**e. Other relevant matters relating to the audit and other matters required by Auditing Standards to be communicated**

The following are matters that we are required by auditing standards to communicate to you:

As part of the audit planning process, we identify any potential risks to our independence as auditors and document the safeguards we adopt to fully mitigate any such risks. We have considered these risks, which are included in Appendix 2 and confirm that the safeguards adopted as satisfactory.

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit.

Please note that this report has been prepared for the sole use of Ribbon Academy Trust. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person organisation.

If we can be of any further assistance please do not hesitate to contact Brian Laidlaw or Marc Breeze.

Yours faithfully,

**MHA Tait Walker**  
Chartered Accountants &  
Statutory Auditor



### Appendix 1 - Weaknesses in Accounting and Internal Control Systems

We identified one weaknesses in the accounting and internal control system noted below:

<b>Rating</b>	<b>Green/Low</b>
<b>Area</b>	VAT
<b>Observation</b>	As part of our testing, we identified that an invoice for an SLA was paid before the year-end (via FMS), but not entered onto the ledger until post year-end.
<b>Implication</b>	Though immaterial, this led to a difference in the year-end VAT debtor balance to that of the post year-end receipt from HMRC.
<b>Recommendation</b>	Ensure that the cut-off of transactions is reviewed at the year-end to ensure the relevant expenditure is recorded in the correct period.
<b>Benefit of control</b>	This will ensure accurate reporting to those charged with governance.
<b>Management response</b>	The invoice was delayed in the post and did not arrive in the Academy until after the new financial year was opened up in our finance system. Unfortunately, it was then processed in the old financial year by mistake which created the effect detailed in the audit findings. Procedures have now been amended and staff informed of the implications in order to ensure this is not repeated in the future.
<b>Timescale</b>	Resolved.



**Appendix 2 - Risks to Independence and Mitigating Factors**

Potential Independence Risks	Safeguards
<p><b>Assisting with the preparation of the financial statements</b></p>	<p>The statutory accounts are prepared by a qualified member of staff from the clients' management figures and trial balance and are reviewed by the manager. These provide the basis for the audit work.</p> <p>There are not normally any contentious disclosure issues; however where these arise the relevant notes are approved by the trustees prior to the draft accounts being submitted to the board.</p>
<p><b>Undertaking teachers' pensions end of year certification</b></p>	<p>We provide certification of the contributions made to the Teachers' Pension Scheme during the year ended 31 March 2021. The results of our finding are reported to management and the Teachers' Pension Scheme, with any proposed adjustment being discussed and approved by management prior to the certification being submitted.</p>
<p><b>Preparation and audit of the ESFA accounts return for the period ending 31 August 2021</b></p>	<p>The accounts return is prepared from the audited financial statements approved by the board of trustees'. Any additional information required is obtained from management.</p> <p>The return is reviewed by the Audit Manager and Partner as well the trust's management prior to the return being submitted to the ESFA.</p>
<p><b>Assisting with the iXBRL tagging of accounts for submission to HMRC</b></p>	<p>As required from time to time, we assist with the iXBRL tagging of the accounts for submission to HMRC with the Corporation Tax Return.</p> <p>There are not normally any contentious issues. In the event of the trial balance including client specific nominal accounts, resulting in a choice of where this is tagged in the accounts submitted to HMRC, the final adjustments are approved by the management team who are sufficiently knowledgeable to understand the full implications.</p>
<p><b>Assisting with the preparation of the taxation computations</b></p>	<p>Routine tax compliance work rarely produces any contentious issues. Any additional advice is always discussed and agreed with your management team who are sufficiently knowledgeable to understand the full implications.</p>



**Appendix 3 – Prior year weaknesses in Accounting and Internal Control Systems**

We identified no weaknesses in the prior year in the accounting and internal control system which are still outstanding.

Ribbon Academy Trust  
 Period ended 31 August 2021

Appendix 4 – Adjusted Misstatements

	Profit and loss	Balance sheet	Comments
	Debit/(credit) £	Debit/(credit) £	
Expenditure	172,000		
Expenditure	43,000		Pension adjustment for the period
Actuarial (gains)/losses	(126,000)		
Pension reserve		(89,000)	
<b>Total</b>	<b>89,000</b>	<b>(89,000)</b>	

Ribbon Academy Trust  
Period ended 31 August 2021

Appendix 5 – Unadjusted Misstatements

	Profit and loss	Balance sheet	Comments
	Debit/(credit) £	Debit/(credit) £	
Prepayments		(3,614)	Error in prepayments calculation
Expenditure	3,614		
<b>Total</b>	<b>3,614</b>	<b>(3,614)</b>	