

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

Our Ref: BAL/JT
Date: 15 December 2022
Reply email: brian.laidlaw@taitwalker.co.uk

Cc. Education & Skills Funding Agency

Dear Sirs,

Ribbon Academy Trust
Period ended 31 August 2022

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 period ended 31 August 2022.

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	2	2

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

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We have reviewed the control deficiencies identified during the audit performed for the period ended 31 August 2021 as part of our work. Of these control deficiencies brought forward, none were not resolved within the year.

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 or organisation.

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

Yours faithfully,

Azets Audit Services

Azets Audit Services
Chartered Accountants &
Statutory Auditor

Appendix 1 - Weaknesses in Accounting and Internal Control Systems

Register of Trustee interests	
Area	Register of Trustee interests on website
Observation	We compared the interests listed on the Trust's website to Companies House for any common directorships. We noted additional directorships were listed on Companies House which had not been declared by Trustee's.
Implication	There could be additional related parties which management are not aware of.
Recommendation	Ensure all interests are declared by Trustees, regardless of whether they are relevant to the organization.
Benefit of control	A complete register of interests and mitigated risk of entering into related party transactions.

Post year end management accounts	
Area	September management accounts
Observation	Due to the change of finance system on 1 st September 2022, there have been delays in finalising post year end management accounts.
Implication	Non timely management accounts reporting.
Recommendation	Accounts are prepared on a timely basis and submitted to the board for review.
Benefit of control	Accurate monthly reporting and compliance with the Academy Trust Handbook.

Appendix 2 - Risks to Independence and Mitigating Factors

Potential Independence Risks	Safeguards
<p>Assisting with the preparation of the financial statements</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>Undertaking teachers' pensions end of year certification</p>	<p>We provide certification of the contributions made to the Teachers' Pension Scheme during the year ended 31 March 2022. 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>Preparation and audit of the ESFA accounts return for the period ending 31 August 2022</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>Assisting with the iXBRL tagging of accounts for submission to HMRC</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>Assisting with the preparation of the taxation computations</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>

Ribbon Academy Trust
Period ended 31 August 2022

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 2022

Appendix 4 – Adjusted Misstatements

	Profit and loss	Balance sheet	Comments
	Debit/(credit) £	Debit/(credit) £	
Expenditure- staff costs	234,000		
Expenditure- finance cost	45,000		
Actuarial (gains)/losses Pension	(2,141,000)	1,862,000	LGPS adjustment for the period
Total	(1,862,000)	1,862,000	

Ribbon Academy Trust
Period ended 31 August 2022

Appendix 5 – Unadjusted Misstatements

We did not identify any unadjusted misstatements.