

Ribbon Academy Trust
Period ended 31 August 2024

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

Our Ref: BAL/JT/NCL-008554
Date: 18 December 2024
Reply email: brian.laidlaw@azets.co.uk

Cc. Education & Skills Funding Agency

Dear Trustees

Ribbon Academy Trust
Period end 31 August 2024

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 end 31 August 2024.

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 period ended 31 August 2024 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 or organisation.

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

Yours faithfully,

Azets Audit Services

Azets Audit Services
Chartered Accountants &
Statutory Auditor

Appendix 1- Control observations

Income postings

Observation	We noted that a number of the income postings had been posted to the incorrect nominals, resulting in reallocation journals being processed.
Implication	Incorrect allocation of income.
Recommendation	To ensure postings are made to the correct nominal account.
Benefit of control	Ensures accurate reporting.

Appendix 2 - Risks to Independence and Mitigating Factors

Non-audit service	Fees 2024	Fees 2023	Type of threat	Safeguard
Assisting with the preparation of the financial statements	N/A	N/A	Self-review	<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.</p>
Preparation and audit of the ESFA accounts return for the period ending 31 August 2024	£1,250	£1,050	Self-review	<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>
Undertaking teachers' pensions end of year certification	£1,000	£700	Self-review	<p>We provide certification of the contributions made to the Teachers' Pension Scheme during the year ended 31 March 2024. 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>
Assisting with the preparation of the taxation computations and iXBRL tagging of accounts for submission to HMRC	£TBC if required	£nil	Self-interest	<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. 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>

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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.

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Appendix 4 – Adjusted Misstatements

	Profit and loss	Balance sheet	Comments
	Debit/(credit) £	Debit/(credit) £	
Expenditure- staff costs	(30,000)		
Expenditure- finance costs	14,000		
Actuarial (gains)/ losses	(84,000)		LGPS movement
Pension		100,000	
Fixed asset additions		9,795	
DFC income	(9,795)		Gross up capital expenditure netted off DFC income
GAG income	88,787		
MSAG income	(70,626)		Being reallocation of MSAG and recovery premium from GAG
Recovery premium income	(18,161)		
Accrued income		10,066	
Deferred income		(10,066)	Reallocation of negative accrued income
Total	(109,795)	109,795	

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Appendix 5 – Unadjusted Misstatements

We did not identify any unadjusted misstatements.