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Ribbon Academy

**Internal Audit Annual Summary Report
Academic Year 2024-25**

Overall Level of Assurance

Substantial

Ribbon Academy
Internal Audit Annual Summary Report
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1. Executive Summary / Overall Opinion

- 1.1 The findings from the internal audit work conducted during 2024–25 provide substantial assurance that Ribbon Academy’s governance and financial/non-financial management arrangements comply with the Academy Trust Handbook. These arrangements are appropriately designed and operate effectively in practice to support the achievement of objectives, safeguard public funds, and protect those responsible for their administration.
- 1.2 The control framework manages risk effectively overall. The systems and controls reviewed are well designed, appropriately scoped, and applied consistently. Policy and procedure compliance is high. The audit found some areas for improvement, but these should not affect the achievement of objectives if corrective actions are implemented within an appropriate timescale.
- 1.3 Audits carried out during 2024-25 reviewed the following areas. The assurance rating for each area is also given, alongside whether any recommended improvement actions were identified.

Area Reviewed	Assurance Rating	Improvement Action Identified
Governance Arrangements	Substantial	Yes
Financial Planning	Substantial	No
Budgetary Control	Substantial	No
Income Controls and Transactions	Substantial	No
Expenditure Controls & Transactions	Substantial	No
Monthly Financial Closedown	Substantial	No
Data / IT Security	Substantial	No
Business Continuity Planning	Substantial	No
Premises Maintenance Checks	Substantial	No

- 1.4 Audit findings were positive in all areas reviewed with only two low risk improvement actions identified relating to Governance arrangements:
- Register of Interests Completeness - Two Trustees had additional directorships not fully reflected in the published Register of Interests (one not declared, one not transferred from the declaration form), reducing transparency over potential conflicts.
 - Trustee Attendance Levels - Two Trustees showed very low attendance at Board and Committee meetings (none and four of sixteen respectively), concentrating decision-making among fewer Trustees and potentially weakening governance effectiveness.
- 1.5 Management are in agreement with the findings from the programme of audits carried out this year and the recommended improvement actions.

2. Introduction, Approach to Work & Standards

- 2.1 This summary report has been prepared in accordance with the agreement between Ribbon Academy and JGT Internal Audit for the delivery of internal audit services. The production of an annual summary report is required by the Department for Education as laid down in the Academy Trust Handbook and supplementary guidance.
- 2.2 This report provides a summary and opinion on the audit findings from the programme of work carried out during 2024–25, along with a statement on the overall level of assurance these findings offer regarding the adequacy of governance and financial/non-financial management in the areas reviewed. The report has been prepared on an exceptions basis, highlighting only those areas where control arrangements were found to require improvement. Key considerations for the year ahead, taken from the latest version of the Academy Trust Handbook and a general review of current issues facing the Academies' sector, are also included in this report for information.
- 2.3 The audit programme agreed for 2024-25 has been fully delivered and this reviewed the following areas.
- Governance Arrangements
 - Financial Planning
 - Budgetary Control
 - Income Controls and Transactions
 - Expenditure Controls & Transactions
 - Monthly Financial Closedown
 - Data / IT Security
 - Business Continuity Planning
 - Premises Maintenance Checks
- 2.4 The objective of the audits carried out during the year was to consider the risks inherent in the operation of the above areas and to review, test and report on the effectiveness of the actual controls in place to mitigate these risks.
- 2.5 Audit findings giving rise to any recommended improvement actions are categorised as either high, significant, medium or low risk in terms of their likelihood and potential adverse impact on the business of the Trust/Academy. Details of all findings, recommendations and management responses is given at Appendix A.
- 2.6 At the conclusion of the audit fieldwork, findings are evaluated to determine the overall level of assurance that can be provided on how effectively systems and procedures operate in practice to deliver their intended outcomes, to safeguard public funds and to protect those officers involved in their administration. Assurance levels are stated as either substantial, good, moderate or limited. Further details on how the results of audits are evaluated and reported are given at Appendix B.
- 2.7 Any matters raised as a result of audits are only those which are identified during the course of the work undertaken and are not necessarily a comprehensive statement of all control issues that exist or all improvements that might be made. It is emphasised that management are responsible for maintaining a sound system of internal control and that the work

performed by JGT Internal Audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any.

2.8 Audit procedures are however designed so that any material weaknesses in internal control have a reasonable chance of discovery. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Audit work does not provide absolute assurance that material errors, loss or fraud do not exist. Effective implementation of audit recommendations by management is important for the maintenance of a reliable internal control system.

2.9 This report is prepared solely for the use of the Board and senior management of Ribbon Academy. Details may be made available to other specified agencies such as the DfE and the External Auditor, but otherwise this report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.

3. Opinion Statement

3.1 The findings from the internal audit work conducted during 2024–25 provide substantial assurance that Ribbon Academy’s governance and financial/non-financial management arrangements comply with the Academy Trust Handbook. These arrangements are appropriately designed and operate effectively in practice to support the achievement of objectives, safeguard public funds, and protect those responsible for their administration.

3.2 The control framework manages risk effectively overall. The systems and controls reviewed are well designed, appropriately scoped, and applied consistently. Policy and procedure compliance is high. The audit found some areas for improvement, but these should not affect the achievement of objectives if corrective actions are implemented within an appropriate timescale.

4. Looking ahead to 2025-26 and beyond

Academy Trust Handbook 2025-26

4.1 The Academy Trust Handbook for 2025–26 introduces several important updates aimed at enhancing financial integrity, operational resilience, and governance accountability. These changes carry direct implications for academies’ internal control environments and risk management frameworks:

- *Digital & Cyber-Security Standards (ATH Paragraph 1.16)*

Trusts must work towards meeting six DfE digital and technology standards by 2030, covering broadband, infrastructure, cyber protection, and digital governance.

Risk Implication: Cybersecurity and digital capability become strategic risks.

Control Measures: Conduct IT risk assessments, appoint a digital lead, implement the DfE's baseline cyber protections, and report progress to the board. Cyber incident response plans must be in place.

- *Executive Pay & Transparency (2.27-2.30)*

Enhanced requirements for transparency in executive remuneration, including public disclosure for total packages exceeding £100,000.

Risk Implication: Reputational and compliance risks around pay setting.

Control Measures: Introduce a formal remuneration policy, ensure external benchmarking, document decisions clearly, and maintain board-level scrutiny.

- *Ransomware Payments and Fraud Recovery (6.15, 6.21)*

Ransomware payments are now explicitly banned. The DfE may recover funds lost through fraud or irregularity.

Risk Implication: Financial loss, data compromise, and legal breaches.

Control Measures: Update incident management policies, train staff on cyber risks, ensure systems backups are secure, and include fraud risk in strategic planning.

- *Internal Scrutiny Threshold (3.6, 3.16)*

Trusts with over £50m in latest audited income must have a professional internal audit function and risk committee.

Risk Implication: Inadequate internal scrutiny could result in oversight failure.

Control Measures: Assess internal scrutiny arrangements to ensure compliance.

- *Repercussive Transactions and Procurement (2.24-2.26, 5.5)*

Providing further guidance and support on procurement. Expanded the definition of “repercussive” transactions, requiring prior DfE approval for high-value or precedent-setting decisions.

Risk Implication: Financial and regulatory non-compliance.

Control Measures: Implement formal procurement and business case procedures, include repercussive tests in decision-making, and escalate high-risk proposals to trustees and the DfE as required.

- *Estates Compliance and Sustainability (1.20)*

Trusts are accountable for estate safety and must align with the new DfE School Estate Management standards. Sustainability is now a formal expectation.

Risk Implication: Health & safety, compliance, and funding risks.

Control Measures: Maintain up-to-date condition surveys, appoint an estates lead, ensure statutory compliance logs are current, and develop a sustainability/climate action plan.

- *Strengthened Accounting Officer Duties (1.32, 1.37)*

Clarified expectations that Accounting Officers must raise concerns if value-for-money, regularity, or propriety cannot be assured.

Risk Implication: Governance and regulatory breach.

Control Measures: Formalise escalation protocols, review board reporting templates, and ensure clear documentation of AO decisions and concerns.

- 4.2 The updated Handbook also provides a link to further information on DfE oversight and support, including intervention (6.16). The Handbook also removes ‘educational performance’ as an area where a Notice to Improve may be issued (6.17).

- 4.3 In summary, the 2025–26 Handbook places increased emphasis on strategic oversight, cyber resilience, environmental responsibility, and governance transparency. Trusts should review their risk registers and assurance frameworks to ensure they remain compliant, proportionate, and capable of withstanding regulatory and operational scrutiny.

Summary: Key Risk Areas for Academies and Trusts (2025–26 and Medium Term)

- 4.4 As academies navigate a shifting educational landscape, they face increasing demands across governance, operations, and strategy. For information, the key areas of risk — and suggested responses — are as follows:

- *Government Policy and Legislation*

Risk: Rapid policy changes (e.g. curriculum, safeguarding, SEND reforms) strain leadership and compliance.

Mitigation: Regular leadership/governor briefings; engagement in policy networks; adaptable strategic planning.

- *Ofsted and Accountability*

Risk: More scrutiny through inspections and MAT evaluations; reputational and consistency challenges.

Mitigation: Maintain inspection readiness; invest in internal QA and leadership development; foster a trust-wide culture of improvement.

- *Finance and Funding*

Risk: Rising costs, tight budgets, and regional funding disparities, especially in disadvantaged areas.

Mitigation: Enhance financial forecasting and scenario planning; pursue cost-efficiencies and external funding sources.

- *Student Numbers and Demographics*

Risk: Falling rolls in some areas reduce funding and increase staffing uncertainty.

Mitigation: Use local data for place planning; promote schools strategically; explore trust-level / Academy collaboration.

- *HR and Workforce Recruitment*

Risk: Recruitment and retention challenges, especially in key subjects and leadership roles.

Mitigation: Prioritise staff wellbeing and CPD; create clear progression pathways; partner with ITT providers.

- *IT and Data Security*

Risk: Digital reliance and rising cyber threats; uneven IT capacity across academies.

Mitigation: Develop a trust-wide IT strategy; implement cyber training and data protection protocols; work toward Cyber Essentials.

- *Estates and Infrastructure*

Risk: Ageing buildings, limited capital funding, and environmental pressures.

Mitigation: Maintain updated estate plans; apply for funding; integrate sustainability and pupil-led green initiatives.

- *SEND Provision*

Risk: Increased demand and complexity strain budgets and staffing; support varies locally.

Mitigation: Strengthen early intervention and inclusive practice; train staff; improve multi-agency collaboration.

- *Safeguarding*

Risk: Growing complexity in pupil safeguarding (mental health, exploitation, online harm).

Mitigation: Ensure up-to-date training and policies; maintain DSL capacity; embed robust pastoral systems and wellbeing support.

- 4.5 Academies face complex and evolving challenges, marked by financial pressures, policy changes and increasing operational demands. Addressing these risks requires strong governance, strategic agility, and a commitment to continuous improvement.

Internal Audit Plan and Programme for 2025-26

- 4.6 The audit plan and programme delivery arrangements for 2025–26 are being reviewed. They will be discussed with the Trust/Academy’s nominated representative, after which proposals will be prepared for Board/Committee review and approval.
- 4.7 The DfE requires Trust Boards to oversee the annual audit plan and agree its associated programme of work. It is recommended that a broad audit programme is agreed to test compliance and confirm that financial and non-financial controls and risk management procedures are working effectively.

Report prepared by:-



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Summary of Findings, Recommendations & Management Responses

APPENDIX A

Finding	Risk Rating	Recommendation	Management Response
<p>Governance - Register of Interests Completeness: Two Trustees had additional directorships not fully reflected in the published Register of Interests (one not declared, one not transferred from the declaration form), reducing transparency over potential conflicts.</p>	Low	<p>1. Trustees should be required to declare all additional directorships which should be recorded in the published Register of Declarations.</p>	<p>Noted. This is tied up with trustees attendance (see below)</p>
<p>Governance - Trustee Attendance Levels: Two Trustees showed very low attendance at Board and Committee meetings (none and four of sixteen respectively), concentrating decision-making among fewer Trustees and potentially weakening governance effectiveness.</p>	Low	<p>2. The issues relating to the non-attendance of Trustees at Board/Committee meetings should be considered and appropriate action taken where necessary to maintain the effectiveness of governance and decision-making.</p>	<p>Our clerk to the trustees has contacted the 2 x relevant trustees on a number of occasions for an update (those not attending had personal reasons for a temporary hiatus).</p> <p>One has started attending regularly since just before the audit (although total attendance would still be showing as poor as recent attendances had not filtered through).</p> <p>The other is to be informed that she either attends with immediate effect, resigns or is removed from the board.</p>

Audit Findings and Assurance Levels Explained

Audit findings are categorised in accordance with the definitions set out in the table below.

Risk Categorisation	Definition
High Risk	There is a fundamental control issue which if not addressed immediately will put at risk the achievement of the aims and objectives of the organisation.
Significant Risk	There is a control issue which could have a significant impact on the achievement of the aims and objectives of the organisation, or which presents a significant risk to the organisation's reputation. Prompt management action is required to remedy the situation.
Medium Risk	There is a control issue which could prevent the achievement of the aims and objectives of the area or service which is being audited, and management attention is required to remedy the situation within a reasonable period.
Low Risk	There is a minor control issue within the system and proportional remedial action is required within an appropriate timescale.

Levels of assurance that can be assigned to audit findings are explained in the table below.

Assurance Level	Definition
Substantial	The control framework provides substantial assurance that risks are being managed effectively. The systems and controls evaluated are well designed and appropriate in scope. Controls are being applied consistently and effectively. Compliance levels are high. Any issues identified are minor in nature and should not prevent objectives being achieved.
Good	The control framework provides good assurance in most areas that risks are being managed effectively. Systems operate appropriately in the main with the majority of controls evaluated being well designed, appropriate in scope and applied consistently and effectively. Compliance levels are medium to high. Issues have been identified in some areas however that could impact negatively on the achievement of objectives if not addressed within an appropriate timescale.
Moderate	The control framework is not appropriate in design or scope and provides moderate assurance that risks are being managed effectively. Controls which are in place are not being applied consistently or effectively. Compliance levels are low to medium. Issues have been identified that require immediate management attention and, if unresolved, pose a significant risk to the achievement of objectives.
Limited	The control framework is inadequate and provides limited assurance that risks are being managed effectively. Absent controls or poor application of existing controls has been identified that requires immediate management attention. No compliance with or limited adherence to policies and procedures has been identified. The issues, if unresolved, pose a fundamental risk to the achievement of objectives.