



**Inspire Partnership Multi Academy
Trust**

Audit Findings Report

Year ended 31 August 2025

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Section 1: Introduction

The audit of the academy trust for the period ended 31 August 2025 is substantially complete, subject to the clearance of final matters with the Trustees and the following information:

- Signed letters of representation.

The primary purpose of this Audit Summary Report ("the report") is to summarise our principal findings relating to judgements and estimates made by management in preparing the financial statements and to highlight the impact of accounting areas on the results of the academy trust.

The scope of our work has already been communicated to you via our Audit Plan, pre year end discussions and the engagement letter.

This report covers the following areas:

- status of the audit and any unresolved misstatements;
- matters arising from the audit including any control matters;
- status of recommendations made in the previous period;
- the management representations that will be required from the Trustees in respect of the academy trust; and
- other matters that might be of general interest.

We are required by auditing standards to discuss with the Trustees known misstatements and to consider qualitative and quantitative factors assessing materiality for each of these items except those that are clearly trivial. Unadjusted misstatements arising from the audit work are summarised in Section 6.

You are required to review these and inform us of whether there are any further adjustments to be made to the financial statements, and provide us with a reason why the remaining misstatements should not be adjusted for. Those that have been already processed have been agreed with management and are included in Section 6.

We would like to take this opportunity of thanking the Trustees and staff, and in particular Tracy Jackson and her accounts team, for their assistance during the course of our audit.

Approved by

Clive Owen LLP

Client confirmation:

I confirm that the above document has been circulated amongst the Trustees and we acknowledge the content of the report and those matters raised.

Signed.....

(Signed for and on behalf of the Board)

Section 2: Communication to those charged with governance

The International Standard on Auditing (ISA) 260 "Communication with those charged with governance" sets out those matters that must be communicated by the auditors to those charged with governance. This report sets out a number of required communications:

- Auditors responsibility to consider misstatements in the financial statements;
- Trustees collective and individual responsibility to fraud;
- Confirmation of the independence of the firm and audit team members;
- Consideration of any material risks and exposures;
- Consideration of audit materiality;
- Schedules of adjusted and unadjusted errors;
- Consideration of uncertainties casting doubt on the ability of the entity to continue as a going concern;
- Consideration of related parties and associated transactions;
- Consideration of post balance sheet events;
- Material weakness in accounting and internal control system;
- Significant difficulties encountered during the audit;
- How we have satisfied ourselves with regard to significant accounting estimates used in the financial statements.

In addition, the following areas have been covered either through the engagement letter we have in place, the Audit Plan and/or discussions with management in the course of the audit:

- Terms of engagement
- Communication of audit scope, timing and approach
- Consideration of significant accounting policies

Limitations of this report

This report refers only to matters we have identified from our audit of the financial statements of the academy trust for the period ended 31 August 2025 that we believe should be brought to your attention. These are not necessarily a comprehensive statement of all issues affecting the financial statements of the academy trust.

Any recommendations for improvements should be assessed by you for their full commercial impact before they are implemented.

The Management team remains responsible for identifying, evaluating and managing risk, including new risks and those which change.

This report has been prepared solely for the use of the Board of Trustees, management and others within the academy trust. It must not be disclosed to a third party or quoted or referred to without our written consent. No responsibility is assumed by Clive Owen LLP to any other person.

Section 3: Summary of results for the period

Key SOFA movements year on year

Revenue bridge	£000	Cost bridge	£000
Total 2024 income	15,014	Total 2024 costs	14,680
Increase in GAG	654	Increase in staff costs	813
Decrease in Mainstream Grant	(343)	Movements under £100k	(96)
Increase in Core School Budget grant	384		
Increase in LA grants	124		
Increase in Teachers' pension grant	129		
Movement in capital grants	(663)		
Movements under £100k	267		
Total 2025 income	15,566	Total 2025 costs	15,397

Key Financial Results (See Appendix C)

	2025	2024
Pupils per census	2,123	2,114
Total revenue income per pupil	£7,260	£6,747
Total revenue expenditure per pupil	£6,916	£6,633
% spend on staff costs vs revenue income	78.7%	80.0%

Section 3: Summary of results for the period

Statement of Financial Activities underlying surplus

	£000	Reconciliation of reserves to cash	£000
Total movement in funds per SOFA	17	Revenue reserves at 31 August 2025	1,670
LGPS movements	-	Less debtors	(986)
Capital grants / depreciation	562	Add creditors	1,861
Underlying surplus	579	Add unspent fixed asset grants	(495)
Reserves used for capital projects	(358)	Total	2050
Fizwilliam improvements reserves	(100)	Split	
Movement in reserves for the year	121	Cash as at 31 August 2025	273
Reserves b/f (excl pension and FA)	1,549	Investments	1,777
Reserves c/f (excl pension and FA)	1,670	Total	2,050

Section 4: Areas of Audit Focus

Key Areas of Judgement and Audit Focus

Our audit approach involves obtaining a thorough understanding of the entity and its environment, as well as the systems and processes that can impact on the financial statements. This understanding drives our identification of audit risk indicators that may give rise to a risk of material misstatement within the classes of transactions, account balances and disclosure.

Our audit planning and risk assessment considers both quantitative as well as qualitative inherent risk factors.

- This assessment considers the complexity, subjectivity, change, uncertainty and susceptibility to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk.
- Further, the volume or a lack of uniformity in the composition of the items to be processed through the class of transactions or account balance, or to be reflected in the disclosure is taken into account.

This assessment informs areas where there is an increased risk of material misstatement, and the audit approach needs to be adapted accordingly. In summary, the assessment of the risk of material misstatement directly influences the nature, timing, and extent of audit work. Higher risks necessitate more thorough and detailed audit procedures to ensure that the financial statements are fairly presented.

We have summarised our considerations in the table below. We have used the following spectrum when assessing the risk of material misstatement and determining our audit approach for classes of transactions, account balances and disclosures:

Remote Risk of Material Misstatement	→	Significant Risk of Material Misstatement
<p>The extent of testing can be limited. For example, auditors might use smaller sample sizes or perform less detailed testing.</p>	→	<p>When dealing with a significant risk, the extent of audit testing needs to be more comprehensive and rigorous, and more detailed tests of transactions and balances will be performed.</p>

Section 4: Areas of Audit Focus

Risks Assessment	Audit Approach & Findings
<p>Management override of controls</p>	
<p>In accordance with ISA 240 there is a risk relating to the possibility of management override leading to manipulation of the financial results.</p> <p>Management is in a position to override internal controls and therefore may record entries in a way which would seek to present a different financial picture to reality. It is felt that this risk is heightened in more judgemental areas of the accounts, such as provisions and other accounting estimates.</p> <p>We will review and assess the appropriateness of any significant and key accounting judgements. We will also assess the impact of any changes in the method of calculation.</p> <p>We will consider any significant unusual or contentious transactions that come to our attention and ensure the appropriate accounting treatment appears to have been followed.</p> <p>We will review journal entries in order to identify any instances where normal procedures may have been overridden.</p>	<p>We have satisfied ourselves that there is no significant misstatement as a result of our audit procedures. Our review of both standard and non-standard journal entries posted has not highlighted any issues. We have performed test checks to ensure that expenses and payments have been made in accordance with the academy trust's written procedures and that their true nature is reflected in the financial statements. In addition, we believe the judgements taken in assessing the need for provisions to be reasonable.</p>

Section 4: Areas of Audit Focus

Risks Assessment	Audit Approach & Findings
<p style="text-align: center;">Revenue recognition and restricted income</p> <ul style="list-style-type: none"> • Revenue • Accrued income • Deferred income • Fund allocation 	
<p>In accordance with ISA 240 this is a higher risk area in which we need to ensure all material income due to the academy trust is recognised in the correct period.</p> <p>The academy trust receives significant levels of funding from government bodies and therefore the occurrence of income is considered of lower risk given it is more easily proven to third party documentation. The key risk is associated with the cut off of income streams as the various grants are received for different periods. Our work will therefore focus around the cut off and recognition of material grant sources over the year end period. In addition we will consider the potential for any claw back of any funding if terms of grant are not met.</p> <p>We will be alert to any netting off of income against expenditure that may be designed to conceal irregular expenses / payments. Furthermore we will review expenditure incurred to ensure it appears in accordance with grant conditions.</p>	<p>We have satisfied ourselves that all significant sources of revenue are materially complete. We have performed completeness and existence testing to verify all material sources of income.</p> <p>We have reviewed the terms of the funding agreements and have not identified any instances where grants would be repayable, other than:</p> <ul style="list-style-type: none"> - CIF clawback £99,801 <p>Which was correctly deferred by management.</p> <p>We have reviewed expenditure incurred to ensure that it appears in accordance with grant conditions. We have not identified any instances of misappropriation of income.</p>

Section 4: Areas of Audit Focus

Risks Assessment	Audit Approach & Findings
<h3 style="text-align: center;">Support staff pay awards</h3> <ul style="list-style-type: none">• Accruals• Wage costs	
<p>In recent years no agreement has been reached until after the year end in respect of the support staff pay award. This has required an accrual to be put in place based on an estimate of the amount that will be back dated to 1 April for qualifying employees.</p> <p>Assuming a similar position this year end we will review the position taken by management and compare it with the latest negotiating position or any agreed settlement post year end.</p>	<p>We understand and have been shown evidence that the pay award was made in the July payslips, as a result no accrual was required at the year end.</p>

Section 4: Areas of Audit Focus

Risks Assessment	Audit Approach & Findings
<h3>DfE Regularity Review</h3> <ul style="list-style-type: none"> Pervasive across all areas of the accounts 	
<p>The Academies Accounts Direction gives detailed guidance on the work expected of auditors to cover areas such as:</p> <ul style="list-style-type: none"> Delegated authorities; transactions with connected parties; governance; internal controls; procurement; and income. <p>We will review procedures and controls and test compliance with funding and other conditions in accordance with the DfE regularity framework. We will review the terms and conditions of key grants to ensure that the academy has complied with these. We will review academy trust expenditure to ensure that it is permissible within the academy trusts framework of authorities, appropriately authorised and in line with funding agreements.</p> <p>Our review of regularity will include the use of data analytics to assist in identifying any transactions that run contrary to the requirements of the Academy Trust Handbook.</p>	<p>We have reviewed procedures and controls and tested compliance with funding and other conditions in accordance with the DfE regularity framework.</p> <p>We have reviewed the terms and conditions of key grants to ensure that the academy trust has complied with these.</p> <p>We have reviewed academy trust expenditure to ensure that it is permissible within the academy trust's framework of authorities, appropriately authorised and in line with funding agreements.</p> <p>We have confirmed that there are no unauthorised borrowings or disposals of assets.</p> <p>We have reviewed extra-contractual payments and confirmed that appropriate departmental authority was obtained.</p> <p>The related party transactions were notified to the DfE and are correctly disclosed in the financial statements. Further details can be found in the draft letter of representation in Appendix A.</p>

Section 4: Areas of Audit Focus

Risks Assessment	Audit Approach & Findings
<h3>LGPS Retirement Benefits Position</h3> <ul style="list-style-type: none"> • Pension liability • Pension costs • Disclosures 	
<p>The valuation of the LGPS pension liability represents a significant judgement due to the number of assumptions made by the actuary in calculating the figure.</p> <p>As this is a specialist area, we will confirm that the firm that performs the valuation on your behalf has the necessary skills and experience to perform the valuation, so that they can be relied upon, and that the valuer is independent of the academy trust.</p> <p>We will compare the actuarial assumptions used for this academy trust with those used in other valuations to ensure consistent and reasonable given the current economic environment. We will also verify key data used in the calculation to ensure its integrity.</p> <p>Where the actuarial valuation report states that there is an overall surplus in the scheme we will review the potential for either a reduction in future contributions or a refund to ascertain if the asset should be included within the financial statements. This assessment will include an asset ceiling calculation based on numbers provided by the actuary.</p>	<p>We have placed reliance upon the independent actuaries appointed by the academy trust to perform a valuation of the academy trust's pension liabilities for FRS 102 purposes. We have confirmed that the firms appointed have the necessary skills and experience to perform these tasks. We have assessed the actuaries assigned to perform the valuations on behalf of the academy trust and we have no concerns.</p> <p>We have ensured that the academy trust's management have checked the data and considered the assumptions used by the actuary in preparing the LGPS valuation.</p> <p>We have reviewed a copy of the LGPS valuation to support the disclosures in the financial statements.</p> <p>The actuary has advised you that you have an LGPS asset, as a result, a comparison of the future value of employer contributions in relation to future service costs (£755,000) has been compared to the future value of employer service costs (£722,000) to ascertain the value of the pension asset to the academy trust, in terms of potential reduction in future contributions, expected to be in the order of 3 to 4% (an asset ceiling calculation). As the former exceeds the latter, combined no LGPS asset has been included within the financial statements. An asset restriction has been calculated to bring this to nil (see adjustment on page 14).</p> <p>We have compared the actuarial assumptions used for this academy trust with those used for other academy clients to ensure consistent.</p>

During the fieldwork stage of the audit, we did not identify any further key areas of audit focus based on the main estimates, judgements, and accounting policies in the financial statements.

Section 5: Going concern

Going concern is a fundamental accounting concept in the preparation of the financial statements. Adopting this basis assumes the entity can continue in operation for at least 12 months from the approval of the financial statements. It is the responsibility of the Trustees to assess the ability of the entity to continue as a going concern.

Under ISA 570 we are required to obtain sufficient appropriate audit evidence about the appropriateness of managements use of the going concern assumption.

Management are required to prepare their own initial assessment of going concern. We understand you believe the going concern basis to be appropriate due to cash balances. You have provided us with forecasts in order to support your conclusion.

Audit response

We have reviewed the management forecasts, and assumptions made. The forecasts show a projected surplus of £37k in 25/26. The cash and investments position of the trust is healthy at circa £2,050k at 31 August 2025. The forecasts show this position is expected to be maintained. We do not believe there to be any material uncertainties surrounding going concern. The disclosure in the financial statements is considered appropriate.

We have performed some sensitivity analysis on the forecasts and consider the chance of the scenarios that would cause a going concern issue to be remote.

We have considered the disclosures made within the financial statements and believe them to be appropriate given our knowledge of the business' circumstances.

Conclusion

Our audit work performed has not identified any indicators of material uncertainties surrounding going concern and therefore we concur with managements use of the going concern basis within the financial statements.

Section 6: Adjusted and unadjusted items

Adjusted items	SOFA		Balance Sheet	
	Dr	Cr	Dr	Cr
	£	£	£	£
<u>LGPS resources expended</u>		152,000	152,000	
LGPS – actuarial gains		3,714,000	3,714,000	
LGPS – asset ceiling restriction	3,866,000			3,866,000
Client adjustment to accruals re Fitzwilliam			13,000	13,000
Client adjustment to accruals (various invoices missed)	2,000			2,000
Surplus before adjustments		19,000		
Adjustments above	2,000			
Adjusted surplus per accounts		17,000		

We confirm the above adjustments should be made to the accounts for the period ended 31 August 2025.

Signed.....

(Signed for and on behalf of the Board)

Section 6: Adjusted and unadjusted items

Unadjusted items	SOFA		Balance Sheet	
	Dr	Cr	Dr	Cr
	£	£	£	£
Staff absence insurance prepayment – balance sheet error			53,708	53,708
Surplus before adjustments		17,000		
Total unadjusted amounts	-			
Potential surplus		17,000		

We confirm the above adjustments should not be made to the accounts for the period ended 31 August 2025.

Signed.....

(Signed for and on behalf of the Board)

Section 7: Other audit matters

Materiality

Our determination of materiality is the basis for determining items in the financial statements that would influence the decisions of the users of the financial statements.

Our materiality is used to determine our audit testing threshold, which together with the risk of material misstatement is considered throughout the audit to determine items for further audit testing. This threshold is our final performance materiality for the period.

All adjustments above our clearly trivial level have been included in our audit misstatement schedule and assessed as part of our audit conclusion and are included within this document.

Our performance materiality and clearly trivial levels have been determined as follows:

Entity	(£)	
	Performance Materiality	Clearly Trivial
Inspire Partnership Multi Academy Trust	225,000	15,000

Significant difficulties encountered in the course of the audit

We are pleased to report that there were no significant difficulties encountered during the course of the audit.

Fraud

We have not identified any instances of fraud during the course of the 2025 audit.

Non-compliance with laws and regulations

No matters of non-compliance with laws or regulations have been brought to our attention during our audit.

Accounting policies

The accounting policies used in preparing the financial statements are consistent with those used in the prior year. We have reviewed these and consider them to be consistent with FRS 102.

Presentation and disclosure

Our audit work includes an assessment of the completeness and accuracy of disclosures within the financial statements. We do not have any matters to draw to your attention in respect of these.

Section 7: Other audit matters

Independence

In our professional judgement we are independent within the meaning of FRC Ethical Standards and ISA 260. The objectivity and independence of the audit engagement partner and audit staff is not impaired. We highlight the following matters that may be considered to bear upon our objectivity and independence:

- Statutory account preparation
- Academies Accounts Return preparation
- Teachers Pension audit
- Preparation of CT600

The non audit services were undertaken by personnel not involved with the audit where there was a self-review threat. We consider that these safeguards adequately address any threats to our objectivity and independence.

We do not envisage any problems in complying with FRC Ethical Standards and ISA 260 for the period commencing 1 September 2025. If anything were to change in this aspect, we would draw the matter to your attention.

Related Parties

We have discussed the potential for related party transactions with the management team and have been advised that there were none during the period. We can confirm that we did not identify any material related party transactions during our audit work.

Section 8: Significant internal control recommendations

In accordance with paragraph 4.23, 4.24 and 4.25 of the ESFA's Auditor Framework and Guide we are requested to report upon regularity issues within the document.

We have considered the systems and internal controls in the course of our audit and have identified the following areas we believe controls could be improved. Matters are classified in terms of importance as follows:

	<i>High importance – risk should be addressed by the Directors as a matter of priority as insufficient internal controls are currently in place.</i>
	<i>Medium importance – the current internal controls could be improved upon.</i>
	<i>Low importance – suggestions for a change in procedure, although existing procedures are adequate.</i>

Classification	Control weakness and implication	Recommendations	Carried forward from prior year	Management response (including timescale)
	<p><u>Fixed asset register review</u></p> <p>We noted a large number of assets with a nil NBV, some of which may no longer be in used by the Trust which could cause an overstatement of assets.</p>	Regular reviews of the fixed asset register should be performed annually to ensure old items are removed.	Y	A Full review of the fixed asset register will be undertaken during 2025/26.



Appendices

Appendix A – Letter of representation – financial statements

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the period ended 31 August 2025. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as Trustees as set out in the terms of your engagement letter dated 13 October 2025 under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and Trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the Audit Finance Report) are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The academy trust has satisfactory title to all assets and there are no liens or encumbrances on the academy trust's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 Management have considered the implications of the Harpur Trust v Brazel case which clarified how holiday pay should be calculated for permanent employees who work irregular hours eg Exam Invigilators, Peri and Teaching support. Management consider that the holiday pay paid to the employees that could be affected is inline with the judgement so no accrual is required.
- 12 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 13 The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

- 14 The academy trust has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

- 15 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

- 16 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 17 Related party relationships and transactions, comply with the academy trust's financial regulations, relevant requirements of the Academy Trust Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

We confirm that there have been no such transactions during the year ended 31 August 2025.

Subsequent events

- 18 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 19 We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trust's needs. We also confirm our plans for futures action(s) required to enable the academy trust to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 20 Grants made by the Department for Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 21 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Restricted grants and donations are as follows:

	£
General Annual Grant (GAG)	10,809,503
Pupil Premium	864,822
PE and Sports Premium	161,930
Universal Infant Free School Meals	272,897
Teachers' Pay Grant	182,132
Teachers Pension Grant	220,919
Core School Budget Grant	384,347
SEN	399,501
Early Years	1,113,780
Other DfE Grants	97,400
Local Authority Grants	165,881
Other Government Grants	2,095
Devolved Formula Capital	62,331
CIF	(22,960)
Other DfE/ESFA capital	14,775
Non Government Grant	51,869

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each Trustees has taken all the steps that he/she ought to have taken as a Trustees in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Appendix B – Letter of representation - Regularity

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to Inspire Partnership Academies Trust and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2025. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

General

1. I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between Inspire Partnership Multi-Academy Trust and the Secretary of State for Education dated 29 April 2014 (Funding agreement date) and the Academy Trust Handbook 2024.
2. I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
3. I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academy Trust Handbook 2024 in performing this duty.
4. Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
5. Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
6. Full and free access has been granted to all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Appendix C – Other internal control observations

Whilst not deemed significant to highlight to those charged with governance, we would recommend that management give consideration to the following internal control observations:

Control weakness and implication	Recommendations
<p><u>Gifts and hospitality policy</u></p> <p>Through our testing of gifts in the year, there was an instance where a gift received by a teacher exceeded the internal policy of £50.</p>	<p>Ensure that all staff are reminded of the policy and they are appropriately authorised by management.</p>

Appendix D – Key financial results definitions

Definitions of how the information in Section 3 has been calculated from the financial statements are set out below:

Pupil numbers
January 2025

Total revenue income per pupil
Total income per accounts
Less: Capital income
Less: Net transfer on conversion/acquisition
Less: Actual income from joining academies
Add: Annualised income from joining academies
Revenue income
Revenue income per pupil [Revenue income / pupils]

Total expenditure per pupil
Total expenditure per accounts
Less: Depreciation
Less: LGPS adjustment
Less: LGPS net interest cost
Less: Actual expenditure from joining academies
Add: Annualised expenditure from joining academies
Revenue expenditure
Revenue expenditure per pupil [Revenue expenditure / pupils]

% spend on staff costs (incl NI & pension) vs revenue income
Staff costs per accounts
Less: LGPS adjustment
Adjusted staff costs
% spend on staff costs (incl NI & pension) vs revenue income [Adjusted staff costs / Revenue income from above]

Appendix E – Technical Update

Academies Trust Handbook (ATH) 2025

The new Academy Trust Handbook was released on 25 June 2025 and was effective from 1 September 2025. A further update was released on 22 October 2025. The full handbook can be found at:

<https://www.gov.uk/government/publications/academy-trust-handbook/academy-trust-handbook-2025-effective-from-1-september-2025>

The following is a summary of the main changes that were updated in June are as follows:

Roles and responsibilities (1.16 – 1.37)

- 1.16. Trusts should have an understanding of the extent to which they are meeting DfE's [digital and technology standards](#) and be working towards meeting the following 6 core standards by 2030:
 - o [Broadband internet](#)
 - o [Network switching](#)
 - o [Wireless network](#)
 - o [Cyber security](#)
 - o [Filtering and monitoring](#)
 - o [Digital leadership and governance](#)
- 1.20 Provided further guidance on Estate Management, including links to various government documents
- 1.32 Updating the **accounting officer duties** and the **definitions of regularity, propriety, value for money and feasibility. This includes definitions:**
 - o *Regularity: the proposed transaction is compliant with the framework of authorities of the department or body concerned. That the transaction under consideration has sufficient legal basis, parliamentary authority, and Treasury authorisation; is compatible with the agreed spending budgets, the wider legal framework (for example subsidy control and procurement law), and the requirements regarding spending set out in this document.*
 - o *Propriety: the proposal meets high standards of public conduct and relevant Parliamentary control procedures and expectations, including compliance with any conventions or commitments made to Parliament and cross-cutting government policies or standards, as well as the standards of conduct and good governance, as set out in this document.*
 - o *Value for money: in comparison to alternative proposals or doing nothing, the proposal delivers the stated policy objectives in a way that represents good value for the Exchequer as a whole, taking into consideration the chances of different degrees of success or failure.*

- *Feasibility: the proposal can be implemented accurately, sustainably, and to the intended timetable with the resources available and without incurring wasteful or nugatory spend.*
- *1.37 Provides links to other documents regarding the Accounting Officer's duty to raise concerns.*

Main financial requirements (2.24 to 2.30)

- *2.24 to 2.26 Provides further guidance regarding support for procurement*
- *2.27 to 2.30 Clarifies the role of the board in setting executive pay.*
 - *It notes that decisions must be evidence based and that they may be challenged by the DfE. This is a change in stance from the ATH 2024 which stated that 'inappropriate pay and benefits can be challenged by the ESFA, particularly in instances of poor financial management'.*
 - *It sets out a number of MUSTS around the process of setting executive pay which trusts should pay particular attention to as this appears to be an area of increased focus.*

Internal Scrutiny (3.6 and 3.16)

- *A reminder that trusts with turnover in excess of £50 million must have an internal scrutiny service provided by an in-house internal auditor and/or bought in internal audit service*

Delegated authorities (5.5)

Setout further details regarding Novel, Contentious or repercussive transactions. The definition of repercussive transactions has been expanded to include the wide public sector. New definition:

"Repercussive transactions are those likely to set a precedent and cause pressure on other trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a trust's proposal could cause additional costs to arise for other parts of government."

The Regulator and intervention (6.15 – 6.21)

- *6.15 Previously the guidance stated that trusts must obtain ESFA approval to pay cyber ransom demands. It now states that trusts MUST not pay any cyber ransomware demands.*
- *6.16 Providing trusts with a link to further information on DfE oversight and support, including intervention*
<https://www.gov.uk/government/publications/financial-support-and-oversight-for-academy-trusts>
- *6.19 Sets out when a notice to improve may be issued. Note the ATH has removed educational performance as an area where an Ntl may be issued)*

Examples of when an Ntl that may still be issued on financial management grounds include:

- *an actual or projected deficit*
- *cash flow problems*
- *insolvency risk*
- *irregular use of public funds*
- *poor internal scrutiny*
- *breaches of related party requirements*

Examples of when an Ntl may still be issued on governance grounds include:

- *the trust board not being properly constituted*
- *trustees failing to comply with their safeguarding duties*
- *trustees and the executive failing to manage their school estate and maintain it in a safe working condition strategically and effectively*
- Sets out that the DfE may recover funds where there is evidence of irregularity or fraud

Electric vehicle (EV) salary sacrifice schemes

Regarding Electric vehicle (EV) salary sacrifice schemes there appears to be no change as the ATH 2025 still states that the trust MUST seek DfE approval

Further update to the Academy Trust Handbook in October

This change is effective immediately.

The update is in respect of paragraph 5.13 - confidentiality clauses associated with staff severance payments. The new wording is as follows:

- must not prevent an individual's right to make disclosures in the public interest (whistleblowing) under the Public Interest Disclosure Act 1998
- are novel, contentious or repercussive, and so must not be used unless the trust has obtained prior DfE approval
- must not be used to prevent the DfE from obtaining sufficient information from trusts to fully assess such payments under its regulatory role.

There is no definition of what is a "confidentiality clauses", so trusts will need to consider what is covered. This additional wording is likely to lead to some trusts having to amend settlement agreements. Trusts will also need to seek DfE approval where they think a confidentiality clause is required.

Trusts should ensure that their payroll and legal teams are aware of this change.

Academies Accounts Direction 2025 (AAD)

The changes that were introduced when