

Meeting of the South Bank Academies Audit Committee

2.30 - 4.30 pm on Wednesday, 29 November 2017
in 1B16 - Technopark, SE1 6LN

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		RF
2.	Declarations of interest		RF
3.	Minutes of previous meeting	3 - 6	RF
4.	Matters arising	7 - 8	RF
Financial reporting for the year end 31 August 2017			
5.	External audit findings (to review)	To Follow	CV
6.	Going concern statement (to approve)	To Follow	CV
7.	System of internal control report (to discuss)	9 - 12	CV
8.	Governance statement (to review)	13 - 16	MB
9.	Public benefit statement (to approve)	17 - 20	MB
10.	Annual value for money report (to note)	21 - 22	CV
11.	External audit letter of representation (to approve)	To Follow	CV
12.	South Bank Academies Annual Report and Accounts (to recommend to the Board)	To Follow	CV
Items to discuss			
13.	Internal audit review (to discuss)	23 - 36	CV
14.	MAT risk register (to review)	37 - 46	CV
15.	School risk registers (to review)	47 - 58	CV
16.	Anti-fraud, bribery and corruption report (to note)	59 - 60	CV
17.	Speak up report (to note)	61 - 62	CV
18.	Any other business		RF

Date of next meeting
4.00 pm on Tuesday, 6 March 2018

No. Item *Pages* *Presenter*

Members: Richard Flatman (Chair), Adam Crossley and Tony Giddings

In attendance: Claire Viner, Rao Bhamidimarri, Michael Broadway, Joe Kelly and James Stevenson

**Minutes of the meeting of the South Bank Academies Audit Committee
held at 4.00 pm on Thursday, 6 July 2017
1A13 - Technopark, SE1 6LN**

Present

Richard Flatman (Chair)
Tony Giddings

Apologies

Adam Crossley
Rao Bhamidimarri

In attendance

Michael Broadway
Dan Smith
Pervena Singh (Clerk)

1. Welcome and apologies

The Chair welcomed members to the meeting, and apologised for the rescheduling of the meeting.

The above apologies were noted.

2. Declarations of interest

No members declared a conflict of interest in any item on the agenda.

3. Minutes of previous meeting

The Committee approved the minutes of the meeting of Thursday, 9 March 2017.

4. Matters arising

The Committee discussed the pending matters from the previous meetings below:

Apprenticeship Levy - The Business Manager gave a verbal update which confirmed that the Apprenticeship Levy was not an immediate matter that would affect the MAT at this stage. The Committee agreed that a plan should be included within the 2018/2019 budget.

All other matters arising were completed.

5. **Internal audit function**

The committee noted the internal audit functions and controls report, and were informed of the latest analysis of control on student recruitment, health and safety, teaching observations and student numbers.

The committee reviewed the internal controls table, which illustrated the areas of control for the audit committee and local governing bodies to review.

The committee discussed the student recruitment numbers at both schools, and noted that an update on recruitment will be provided at the upcoming Board meeting.

The committee were noted that some members of staff had not completed their health and safety e-learning module, and requested an update at the next meeting.

The committee discussed the key areas covered in the internal audit report and requested that finance is included.

The committee requested an internal audit report as a standing agenda item for future meetings.

The committee were informed that there have been no control breakdowns since the last meeting.

6. **External audit plan**

Anjali Kothari joined the meeting

The committee were presented with the external audit plan by the audit partner (Kingston Smith LLP). The committee noted that the audit will be risk based, with specific focus on the key risks of income recognition and management override.

The committee approved the external audit plan and the proposed timetable.

The committee requested that the external audit partner is invited to attend the Board meeting of 7 December 2017, to sign the accounts.

The committee noted that the external audit partner would comment on internal control when delivering the external audit report.

The auditor confirmed that the Education and Skills Funding Agency will be overseeing governance more closely.

7. **Anti-fraud policy**

The committee approved the anti-fraud policy subject to a few typographical amendments. No issues of fraud had arisen since the last Audit Committee meeting.

8. **Speak up policy**

The committee approved the Speak up policy. No new issues had been raised since the last meeting.

9. **MAT risk register**

The committee noted the MAT risk register and were informed of the significant change to the risk register for staffing, which had reduced from a high risk level to a low level.

The committee discussed the remaining high level risks, which include health and safety due to the temporary building, the new fair funding formula, and student recruitment numbers.

It was noted that the dates for the most recent review of the risk register, and the date for the next review, need to be amended as the information shown is out of date.

10. **Schools' risk registers**

The committee discussed the schools local risk registers, which were reviewed in detail by the local governing bodies.

11. **Assurance report**

The committee noted the assurance report. The committee suggested that the assurance report included in the committee papers would be better placed as part of the internal audit controls report.

12. **Any other business**

The committee were informed of the departure of the Business Manager and thanked him for his contribution to South Bank Academies.

**Date of next meeting
4.00 pm, on Wednesday, 15 November 2017**

Confirmed as a true record

..... (Chair)

**SOUTH BANK ACADEMIES AUDIT COMMITTEE - THURSDAY, 6 JULY 2017
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
5.	Internal audit function	Update on the completion of the health and safety e-learning module The committee requested the internal audit report to include finance controls. The committee requested an internal audit report is a standing agenda item for future meetings.		Claire Viner Claire Viner Claire Viner	In Progress In Progress In Progress
6.	External audit plan	The external audit partner to be invited to attend the Board meeting of 7 December 2017, to sign the accounts.		Pervena Singh	Completed
9.	MAT risk register	The dates for the last review of the risk register and the date for the next review to be amended.		Claire Viner	Completed
11.	Assurance report	The committee requested greater assurance of the effectiveness of controls.		Rao Bhamidimarri	Completed

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	CONFIDENTIAL
Paper title:	System of Internal Control
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	For information: the system of internal control relates to controls and processes for the organisation, and provides assurance against all of the risk types within the organisation.
Recommendation:	The Committee is requested to review the report.

Executive Summary

The purpose of this report is to provide information allowing the South Bank Academies Audit Committee to discuss the System of Internal Control.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The System of Internal Control is based on an on-going process designed to identify and prioritise the risks to the achievement of Company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact, should they be realised, and to manage them efficiently, effectively and economically. The System of Internal Control has been in place in South Bank Academies for the period 1 September 2016 to 31 August 2017.

Internal Control

Purpose

The purpose of the Internal Control process is to gather and verify data from each establishment within the Trust and check that processes and controls are in place and adhered to.

There is a regular programme of reviews to ensure that financial transactions have been properly processed and that controls are operating effectively. A report of the findings is provided to the Audit Committee for review.

The report should give management assurance over the following areas:

- Safeguarding of assets
- Delivery of value for money
- Risk of inappropriate use of funds
- Accuracy of data

Finance

A termly visit by the CFO to the Academy and UTC will audit the following;

- Control account checks
- Bank reconciliations
- Review of purchasing processes (sampling a number of order to payment documentation)
- Payroll checking

Assets

A bi-annual sample check of assets by the CFO.

- Check that Asset Register is available for Capital Assets, IT and Fixtures and Fittings.
- Selective checking of items

CEO's Assurance Report

November 2017

This report is a summary of the progress that has been made to our system of internal control and to our risk management processes over the 2016/17 school year.

- The Risk Register is aligned to the EFA's compliance requirements as well as those of the Trust
- The Corporate Risk Register has been submitted to every meeting of the Board of Directors and the Audit Committee.
- In addition to the Risk Register, Audit committee and the Board receive reports demonstrating progress on developmental activities and changes to key risks.
- It is our opinion that Trust's risk management and control arrangements continue to be strong and this is confirmed by the auditors.
- No significant issues have arisen as a result of the DfE, EFA and Company's House reporting processes.
- The Trust is confident that we continue to deliver the best value for money received from ESFA.

Assurances relating to the following remain subject to the finalisation of accounts.

- Controls
- Red rated issues
- Fraudulent activity

Rao Bhamidimarri
24 November 2017

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	CONFIDENTIAL
Paper title:	Governance Statement
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	29 November 2017
Author:	Michael Broadway
Purpose:	To review
Recommendation:	The Committee is requested to review the Governance Statement, which forms part of the annual report and accounts.

Executive Summary

The Governance Statement is required as part of the Annual Report and Accounts. The Accountable Officer is personally responsible for the Governance Statement, which outlines how trustees have discharged their responsibility to manage and control the organisation's resources during the course of the year.

Guidance from the National Audit Office states that the Governance Statement should give a clear understanding of the dynamics of the organisation and its control structure, recording the stewardship of the organisation, providing a sense of how vulnerable the organisation's performance is or might be; and of how successfully the organisation has coped with the challenges it faces.

With the board's support, it is for the Accountable Officer to decide on the specific form and content of the Governance Statement.

The Committee is requested to approve the Governance Statement, which forms part of the annual report and accounts.

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Governance statement

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors has formally met four times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Dave Phoenix (Chair)	2	4
Adam Crossley	2	4
Douglas Denham St Pinnock	4	4
James Stevenson	4	4
Rao Bhamidimarri (CEO)	4	4
Richard Flatman	4	4
Richard Parrish	1	4
Steve McGuire	1	4
Tony Giddings	2	4

The Board and local governing bodies completed internal light-touch effectiveness reviews in July 2017. The outcomes of these effectiveness reviews will feed into a wider review of governance structures by the company's member and sponsor, London South Bank University. Any recommended changes to the governance of the Company will be implemented during the academic year 2017/18.

The Board noted its current diversity and has taken steps to address the gender and ethnicity imbalance, and a new director has been appointed in 2017/18.

The Board is supported by three committees, a remuneration committee, audit committee and nomination committee.

The remuneration committee's purpose is to set the objectives and review the Principals' performance; to set the pay of the Key Management Personnel; and to approve the HR policy for the company.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of a possible
Douglas Denham St Pinnock (Chair)	1	1
Richard Parrish	1	1
Dave Phoenix	1	1

The Audit Committee's purpose is to monitor the internal and external audit functions, risk management and internal financial control at the Company.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of a possible
Richard Flatman (Chair)	3	3
Adam Crossley	2	3
Tony Giddings	3	3

The purpose of the Nomination Committee is to consider succession planning for the Board and to appoint new directors to the Board. The committee did not meet during the year.

Arrangements for setting pay and remuneration of key management personnel

The Remuneration Committee has defined the key management personnel as the CEO, Chief Financial Officer and the Principals of the two schools. The Committee reviews performance of the key management personnel when setting pay. The CEO is seconded from London South Bank University who pay his salary.

	CONFIDENTIAL
Paper title:	Public benefit statement
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	29 November 2017
Author:	Michael Broadway
Purpose:	For information
Recommendation:	The Committee is requested to note the draft statement which is included in the annual report and accounts.

Executive Summary

The Public Benefit Statement forms a mandatory part of the annual report of charities. The Academy accounts direction requires that the following must be included in the audited financial statements:

- A statement that the charity has had regard to the Commission’s guidance on public benefit – see [link](#).
- A report on how the charity has delivered its charitable purposes for the public benefit.

The draft statement sets out the South Bank Academies’ charitable objects from its Articles of Association. It demonstrates how SBA advances education for the public benefit. SBA’s main beneficiaries are its students.

The committee is requested to note the first Public Benefit Statement for inclusion in the annual report.

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Public Benefit

South Bank Academies is an exempt charity within the meaning of the Charities Act 2011 and is regulated by the Secretary of State for Education on behalf of the Charity Commission.

Charity Commission guidance on Public Benefit

The members of the Board of Directors are the charitable trustees of the company. In undertaking its duties the Board of Directors has regard to the Charity Commission's guidance on public benefit.

Charitable objects

South Bank Academies receives the majority of its income from the Department for Education to provide educational services to children and to ensure a broad and balanced curriculum across its schools.

The charitable objectives of the company as set out in its articles of association are restricted to the following:

“to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum which includes provision for technical education”.

The company's objects are applied solely for the public benefit, as follows.

The company advances education for the public benefit by:

- establishing and running two academy schools which offer a broad and balanced curriculum. Both schools have an engineering focus and have provision for technical education;
- each school providing teaching to its students; and
- setting and marking assessments and giving feedback to students.

Beneficiaries

In carrying out its objects the company benefits its students and future students through teaching and learning activities.

The trustees affirm that the opportunity to benefit is not unreasonably restricted. The schools are committed to open, fair and transparent admissions arrangements and act in accordance with the School Admissions Code.

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	CONFIDENTIAL
Paper title:	Annual Value for Money Report
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	For information
Recommendation:	The Committee is requested to note the report.

Executive Summary

The purpose of this report is to provide information on how the Trust and its schools have strived to achieve Value for Money throughout the academic year. The annual VFM report is included in the annual report and accounts.

Value for Money

As the Accountable Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.

Annual benchmarking is done and reported to the Board and Local Governing Bodies in relation to expenditure including staffing.

The company has delivered value for money in the previous academic year by:

Effective purchasing – reviewing contracts on an annual basis to make sure they are fit for purpose and still offer value for money, exploring various purchasing options to gain best value and always following a tender process on major purchases.

Income generation – The Academy’s facilities continue to be let to local community groups to generate additional income to the Trust and to enhance the outcomes for the local community.

Termly Internal Audit – the CFO undertakes termly Internal Audit to ensure that all expenditure delivers value for money.

Economies of Scale – Cleaning and Catering contracts have been entered into for services across the Trust schools. This includes the sharing of larger cleaning equipment between the sites.

Full external audit – External Audit considers Value for Money and the treatment of public funds during their audit.

	CONFIDENTIAL
Paper title:	Internal Audit Report
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	For Information; to provide Committee with the annual report on internal audit.
Recommendation:	The Committee is requested to review the report.

Executive Summary

The purpose of this report is to provide information for discussion regarding the Internal Audit process and its outcomes.

The template (Appendix 1) will be used for future reporting.

Internal Audit Report – October 2017

Control/Audit	Trust	School
Health and Safety Audit	Analysis	Full Report*
Single Central Record Audit	n/a	Full Report*
Staffing Numbers	Analysis	Analysis
Teaching Observations	Analysis	Analysis
External School Review	Full Report*	Full Report*
Student Numbers	Analysis	Analysis
Student Recruitment	Analysis	Analysis
Staff Recruitment/Exit Interviews	n/a	Analysis
Monthly Finance Report	Analysis	Analysis
Census Information	Analysis	Analysis

*Full report from external audit.

The table above shows the areas of control or audit and what information should be issued to the Trust via the Audit Committee or the Main board or to the schools via the Local Governing Body or one of its subcommittees.

The Control/Audit functions were explained in a previous audit committee.

Student Recruitment

University Academy of Engineering South Bank

In Year 7 admissions are co-ordinated by the local authority (LA). In Year 12 the Academy completes the whole admissions process.

Student numbers are currently as follows for the Year 2017/18

	Key Stage 3		Key Stage 4		Key Stage 5		Whole School
	Year 7	130	Year 10	100	Year 12	35	
	Year 8	148	Year 11	-	Year 13	23	
	Year 9	131					
Total		409		100		58	567

May 2017 forecast 18 students starting in September 2017 in Year 12, using factors to forecast the number of applications likely to be received by the end of the process and the likely non-acceptance of places from applicants. Historical data for the UTC and Academy Year 12 recruitment forms the basis of the factors.

Findings and Actions

The Year 12 forecasted numbers of 18 were slightly below the 24 submitted to the DfE. The Academy's 'Good' Ofsted grading may have enabled the Academy to convert some undecided applicants at Y7 and Y12 entrant levels. Letters were sent to all prospective students to solidify current numbers and encourage additional applicants.

South Bank Engineering UTC

Recruitment at two stages (Year 10 and Year 12). Year 10 is not a time for students to transfer schools normally and recruitment has proved difficult for many UTC's.

Both recruitment stages are co-ordinated wholly by the UTC. The table below shows the number of applications received by 31st May 2017 against the actual number of students now in the school.

	Key Stage 4		Key Stage 5		Whole School
	Year 10	55	Year 12	55	
	Year 11	33	Year 13	44	
Total		88		99	187

Findings and Actions

Year 10 recruitment has proved difficult. However, the table above shows that the actual number of students is above that submitted to the DfE. Overall 6th form student numbers submitted to the DfE were 101. Actual student numbers are currently 99.

All Year 12 students who did not take up their place at the UTC are being contacted in order to establish their reasons for not taking up their place. This should prove a useful exercise in tailoring the marketing and recruitment strategies for the next cohort.

Health and Safety Audits

The Trust engages Judicium Education to audit each school site for health and safety compliance. This audit assesses the scope and effectiveness of current arrangements, compliance with all relevant legislation and identifies gaps in compliance or best practice. Any areas of concern are graded in four categories.

Very High	Act immediately to remove risk and ensure compliance with legislation
High	The recommendation is required as soon as possible. The risk of not complying outweighs costs and as such it is deemed "Reasonably Practicable" that action MUST be taken. It is recommended that work is completed immediately but 3 months is maximum time frame that should be attributed if complex work is required. Failure to comply could result in prosecution should an accident/incident occur. This could include an enforcement notice following an HSE or Fire authority inspection.
Medium	Recommendations are required in order to comply with legislation however the risk (likelihood/severity) is perceived less severe than high risk. The school is able to consider costs in order to establish if compliance is reasonable practicable. If costs are not a factor the assessor has attributed a Medium risk as the risk is perceived as lower, therefore the school has been given more time to comply. Ideally however all such actions will be completed as soon as possible. Medium priority risks could be upgraded to High if they remain outstanding after 6 months or following the next health and safety audit.
Low	Consultant solution/Best Practice The assessor has used their experience and schools expertise to reflect best practice. It is recommended that the school complete the action but there is not an express legal compliance requirement.

Risk Level	Academy	UTC	Total
Very High	0	0	0
High	2	13	15
Medium	16	26	42
Low	0	1	1
Last Audit Dates			
Academy	March 2017		
UTC	April 2017		

Each school has Key Performance Indicator targets of having nil Very High findings - these findings would need immediate attention.

The next H&S audits are booked for the UTC on 11th January and the Academy on 16th January 2018. Following their last visits the Trust were assured by the external H&S auditors that there are no immediate concerns on either site.

Findings and Actions

There are no 'Very High' findings. The UTC had a number of 'High' category issues at their last audit but these related to the temporary accommodation. However, the UTC moved into their new accommodation on 11th September and we would now expect there to be very few findings. All 'High' findings at the UTC either related directly to the temporary accommodation or have been addressed e.g. training modules now complete, documents provided by on-site contractors.

The Academy's 'High' levels relate to a few members of staff not completing their online courses at the time of audit. There are now a number of new staff at the Academy. The Cylix Data Protection course used by the University has been rolled out across the Academy and the UTC. The Cylix Health & Safety course is in the process of being amended to target the needs of users at school level.

We are currently working with LSBU Organisational Development to agree a package of compulsory training, Health & Safety, Data Protection and EDI, which will be accessible to the schools to be completed by all staff and made part of the induction/probation process for all new starters.

Teaching Observations

Internal teaching observations are completed and categorised into the Ofsted grades (Outstanding, Good, Requires Improvement and Poor). Key performance Indicators for each school in 2017/18 are that there should be 100% Good or better and that 35% should be Outstanding.

The tables below show the observations completed during the last half term of this academic year.

Academy Teaching Observations

	Half Term						Total	Percentage	KPI	
	1	2	3	4	5	6				
Outstanding	2	1	1	0	1	0	5	8%	35%	
Good	10	6	7	8	5	9	45	74%		
Requires Improvement	2	2	2	2	0	1	9	15%		
Inadequate	1	0	0	0	1	0	2	3%		
Total	15	9	10	10	7	10	61			
								Good or Outstanding	82%	100%
Staffing Numbers										
	Half Term						Total			
	1	2	3	4	5	6				
Starters	11	1	1	0	1	0	14			
Leavers	0	3	1	1	0	5	10			

UTC Teaching Observations

	Half Term						Total	Percentage	KPI	
	1	2	3	4	5	6				
Outstanding	0	4	3	3	3	3	16	34%	35%	
Good	0	3	6	2	6	6	23	49%		
Requires Improvement	0	2	0	4	1	1	8	17%		
Inadequate	0	0	0	0	0	0	0	0%		
Total	0	9	9	9	10	10	47			
								Good or Outstanding	83%	100%
Staffing Numbers										
	Half Term						Total			
	1	2	3	4	5	6				
Starters	0	0	1	0	0	0	1			
Leavers	0	2	0	0	0	0	2			

Findings and Actions

In the last report it was suggested that the Good or Outstanding KPI of 100% be revised as new staff may need support and training. It was also suggested that teachers who have been at the school longer than one year be analysed separately.

Student Attendance

Shown below are the student numbers by year group per half terms for each school. Alongside the student numbers are the attendance percentages for the relevant periods. Both schools have key performance indicators of 96% for attendance.

University Academy of Engineering

Pupil Numbers

	Half Term						% of total students
	1	2	3	4	5	6	
Year 7	129						23%
Year 8	145						25.70%
Year 9	132						24%
Year 10	98						17.30%
Year 11							
Year 12	34						6%
Year 13	23						4%
Total	561						100%
	Half Term						KPI
	1	2	3	4	5	6	
Pre-16	95.20%						96%
Post-16	92%						96%

South Bank Engineering UTC

Pupil Numbers

	Half Term						Percentage
	1	2	3	4	5	6	
Year 10	55						29%
Year 11	33						18.5%
Year 12	55						29%
Year 13	44						23.5%
Total	187						100.00%
	Half Term						KPI
	1	2	3	4	5	6	
Pre-16	91.00%						96%
Post-16	82.70%						96%

At the UTC, attendance in KS5 is higher than it appears on the system. The reason for this is that some students are in personal study in the pm registration slot, and have not been

captured on the MIS although they are present. We are working on this. Another reason for KS5 attendance issues boils down to a small number of persistently absent (PA) students who we are working on with intervention through the pastoral team. For example one student was attacked on the way home from the UTC and despite repeated reintegration meetings with his family has yet to return.

APPENDIX 1

SECTION A – OVERALL PROGRAMME

1. GENERAL

A	General	
B	Payroll	
C	Purchases	
D	Major Contracts	
E	Income	

1. General areas for review per paragraph 2.17 of the Academies Financial Handbook:	
Review that bank reconciliations have been carried out each month, including a review of the validity of reconciling items. Include: <ul style="list-style-type: none"> • Main bank account • Capital account 	
Review the monthly payroll to ensure that any changes have been appropriately authorised.	
Check of a sample of orders to delivery notes & invoices to ensure that the documentation is complete and has been appropriately checked.	
Check of a sample of payments back to invoices, orders & delivery notes to confirm that they are bona fide purchases.	
Check of a sample of expense claims to ensure that there is appropriate documentation to support the claim and that the claim is appropriately authorised.	
Review the returns to the ESFA to ensure that the information supplied is consistent with the underlying accounting records and internal management accounts.	
Carry out spot checks of petty cash balances and supporting vouchers	
Review all major contracts and ensure formal tendering procedures exist and are being adhered to.	
Aged Creditors reconciliation to nominal ledger Control Account	
Review letter of points arising from prior year audit.	

2. PAYROLL	
Select 5 employees from the payroll & check:	
Salary details back to personnel records to confirm that the amount is correct	
Check 5 amendments to the payroll to ensure that appropriately authorised source documentation exists	
Review the final payroll print for one month to ensure that it has been appropriately authorised.	

3. PURCHASES	
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APPENDIX 1

Select 5 payments made within the quarter and ensure:	
<ul style="list-style-type: none"> the order has been placed with an appropriate supplier 	
<ul style="list-style-type: none"> purchase order is correctly authorised 	
<ul style="list-style-type: none"> invoice agrees to order 	
<ul style="list-style-type: none"> goods or services have been certified as received 	
<ul style="list-style-type: none"> invoice correctly authorised 	
<ul style="list-style-type: none"> payment correctly authorised 	
<ul style="list-style-type: none"> payment correctly recorded in the accounting system 	
Obtain details of any contracts let with a value over a prescribed limit & review documentation to ensure correct quotation/tender procedures have been followed.	

4. MAJOR CONTRACTS	
Review progress against any significant capital contracts to ensure payments made are appropriate & progress is satisfactory.	

ANNUAL CHECKS TO BE UNDERTAKEN

4. INCOME	
Review receipts from ESFA & any other sources & check that the amounts received agree to source documentation	
Select one category of "Miscellaneous Receipts" and ensure:	
<ul style="list-style-type: none"> appropriate action been taken on any overdue amounts 	
<ul style="list-style-type: none"> primary records of amounts due reconcile to records of monies collected 	
<ul style="list-style-type: none"> monies recorded as collected have been banked promptly and in full 	
<ul style="list-style-type: none"> ensure monies collected are correctly recorded in the accounting system 	

5. ACCOUNTING SYSTEM	
Review bank reconciliations to ensure that they have been correctly prepared and authorised	
Review control account reconciliations to ensure that they have been correctly prepared and authorised.	
Review through sample checks the procedures used to prepare financial reports issued to Governors & officers of the school and DfE financial returns to be satisfied that they are completed accurately and promptly.	

APPENDIX 1

A- BANK RECONCILIATIONS

Date	Balance	Review composition of reconciliation	Authorisation of reconciliation by responsible official	Check control account balance

B - PAYROLL TESTING

	Name of employee	Monthly pay	Check details to personnel file	Check rate of pay to authorisation
1				
2				
3				
4				
5				

Test of payroll amendments

Amendment to payroll	Check amending documentation	Check authorisation

APPENDIX 1

**C - PURCHASE TESTING
Invoices Processed Listing**

	Date	Supplier	Nature of supply	Amount £	BACS Date	Recorded in PSF	Agreed to purchase order	Invoice No. - & approved/goods certified as received	Invoice correctly authorised	Appropriate supplier used
1.										
2.										
3.										

Purchase Orders Listing

	Date	Supplier	Nature of supply	Amount £	BACS No.	Recorded in PSF	Agreed to purchase order	Invoice No. - & approved/goods certified as received	Invoice correctly authorised	Appropriate supplier used
1.										
2.										
3.										

BACS Payments Listing (selecting Supplier & Payment at random)

	Date	Supplier	Nature of supply	Amount £	BACS No.	Recorded in PSF	Agreed to purchase order	Invoice No. - & approved/goods certified as received	Invoice correctly authorised	Appropriate supplier used
1.										
2.										
3.										

APPENDIX 1

D – EXPENSES

	Date	Employee	Amount £	Original Receipt	Correctly authorised	Reimbursed Cash / BACS?
1.						
2.						
3.						

D - MAJOR CONTRACTS

Review of tendering processes –

Quotations were obtained from:

E –INCOME

Grants

Miscellaneous Income

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	CONFIDENTIAL
Paper title:	South Bank Academies – MAT Risk Register
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	For Information; to provide the Committee with South Bank Academies' organisational risk register.
Recommendation:	The Committee is requested to review the organisational risk register.

Executive Summary

The purpose of this report is to provide information to the South Bank Academies Audit Committee to allow them to review the Trust level Risk Register for 2017/18.



The register highlights the key risks under seven key categories;

- Compliance
- Safeguarding
- Finance
- Staffing
- Pupils
- Infrastructure
- Reputation

The register calculates the risk level associated to each risk by combining the probability of the risk, the impact and the combined risk level. Also listed are the actions that the MAT has taken to mitigate each risk.

Each risk has an 'Owner' who takes responsibility for the risk and ensures that the mitigating actions are undertaken and impact of the actions on the risk level reviewed. If required, additional actions are identified and implemented.

The Register is a working document and is reviewed by the CEO and CFO on a termly basis. All current risks will be re-assessed and emergent risks will be added.

South Bank Academies Risk Register					 A Multi-Academy Trust 						
Current Establishments within the Trust											
University Academy of Engineering South Bank		South Bank Engineering UTC									
Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Owner	Last reviewed	Date for next review	Status	Change
Compliance	Inappropriate Governance structure and organisation	Failure to achieve mission and objectives of the Trust. Poor decision making and information flow. Potential non-compliance.	1	3	3	Periodic Ofsted inspection. Qualified and experienced Governance support. Skills audit & annual review of trust performance	Chair	Jun-17	Termly	Open	→

<p>Compliance</p>	<p>Inadequate level of challenge and ineffective local governance affects Trust overall</p>	<p>Failure to achieve mission and objectives of the Trust. Poor decision making and information flow. Risk of one establishment not following Trust procedures.</p>	<p>1</p>	<p>3</p>	<p>3</p>	<p>Representation of the Trust on local governing bodies. Annual review of local governing bodies including external audit.</p>	<p>Chair</p>	<p>Feb-18</p>	<p>May-18</p>	<p>Open</p>	<p>→</p>
<p>Compliance</p>	<p>Serious breach of health & safety regulation or disability legislation occurs</p>	<p>Risk of litigation and Reputational risk.</p>	<p>1</p>	<p>3</p>	<p>3</p>	<p>Policies and procedures consistent with relevant legislation. Independent audit on Health and Safety and Policies. Regular reports to the board. Adequate insurance cover. Probability rating currently higher than normal due to new building used by UTC.</p>	<p>CEO</p>	<p>Feb-18</p>	<p>May-18</p>	<p>Open</p>	<p>↓</p>

Compliance	Failure to comply with Companies House and DfE regulations	notice given on non performance and litigation. Potential fine.	2	3	6	Timely Prep of audit. Preparation & submission of annual report. Termly internal audit.	CEO	Feb-18	May-18	Open	→
Safeguarding	Safeguarding incident at one of the schools.	Risk to reputation nationally and locally. DfE and HSE intervention depending on scale of the event.	2	3	6	All schools employ the services of experienced staff with appropriate safeguarding qualifications. All staff and governors are given safeguarding and prevent training. All students and staff complete e-safety training and firewalls are in place to secure all ICT networks.	CEO	Feb-18	May-18	Open	→
Finance	Changes to Funding via Government policy	Potential loss in income.	1	3	3	Monitoring of Government policy, Long term forecasts, Financial	CFO/CEO	Feb-18	May-18	Open	↓

						expertise at Operational and Trustee level					
Finance	Poor financial performance by one or more school	A deficit or liabilities in one or more schools will affect the Trust financial viability and could have significant risk for finance and cash flow Leading to DfE letter.	1	3	3	Trust financial controls and procedures in place and communicated to all staff. Monthly Management accounts, Schedule of delegation, Budget monitoring by LGB and the Trust, Internal and External Audit. Regular reports to Trust members. Financial expertise at Operational and Trustee level	CFO/CEO	Feb-18	May-18	Open	→

<p>Finance</p>	<p>Financial controls and systems are not adequate or maintained</p>	<p>Risk that policies and procedures are not followed and that value for money is not considered in procurement and staff costs.</p>	<p>2</p>	<p>2</p>	<p>4</p>	<p>Trust financial controls and procedures in place and communicated to all staff. Monthly Management accounts, Schedule of delegation, Budget monitoring by LGB and the Trust, Internal and External Audit. Regular reports to Trust members. Financial expertise at Operational and Trustee level</p>	<p>CFO/CEO</p>	<p>Feb-18</p>	<p>May-18</p>	<p>Open</p>	<p>→</p>
<p>Staffing</p>	<p>Failure to recruit key management posts and Inadequate competency of staff within the Trust or the Schools</p>	<p>Staff not able to carry out their duties, poor management and decision making, poor quality of teaching and learning leading to poor student outcomes. Unsatisfactory Ofsted grading</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>Thorough recruitment programme, comprehensive professional development, Strong Appraisal system. Competitive remuneration and career development</p>	<p>CEO/Principals</p>	<p>Feb-18</p>	<p>May-18</p>	<p>Open</p>	<p>↑</p>

		leading to reputational risk.				t.					
Staffing	Inadequate number of staff within the Trust or the Schools	Inadequate teaching and learning and student support, leading to poor outcomes.	1	3	3	Monthly monitoring of staffing levels from all schools, independent exit interviews for all staff, comprehensive recruitment processes.	CEO/Principals	Feb-18	May-18	Open	→
Pupils	Failure to recruit sufficient number of pupils in Trust schools	Reduction in pupil led income which could lead to cash flow or long term financial problems.	2	3	6	Trust and school Marketing capacity and delivery effective admissions processes. Monthly reports on pupil numbers for monitoring. Networking with feeder schools	CEO/Principals	Feb-18	May-18	Open	→
Pupils	Poor students outcomes in Trust schools	Poor examination results could cause a reputational and financial risk. Detrimental to student	2	3	6	Teaching and Learning constantly monitored and reported. Termly attainment reporting	CEO/Principals	Feb-18	May-18	Open	→

		futures/careers.				sent to management and pupils. Principal reports to local governing body.					
Infrastructure	Land and Buildings are fit for purpose.	Damage to property due to poor maintenance could cause disruption to business continuity and cause damage to pupils learning and Trust reputation	1	3	3	Maintenance programme in place and monitored by a Trust staff member. Adequate budgets for building maintenance. Regular site checks by facilities teams	Trust Business Manager/ CEO	Feb-18	May-18	Open	→
Infrastructure	Failure to safeguard schools or assets from theft or damage by third party	Damage to building and assets. Health and safety risk to students and staff. Reputational damage and poor learning outcomes.	1	2	2	Adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment. Adequate insurance	Trust Business Manager/ CEO	Feb-18	May-18	Open	↓

Reputation	High profile event in one school affects Trust overall	Risk to reputation nationally and locally depending on scale of the event.	1	3	3	Each School and the Trust has a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	CEO	Feb-18	May-18	Open	→
Risk Calculation	Probability										
Impact	1 low	2 medium	3 high								
1 low	1	2	3								
2 medium	2	4	6								
3 high	3	6	9								

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	CONFIDENTIAL
Paper title:	South Bank Academies – School Risk Registers
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	For information; to provide the Committee with the current school risk registers.
Recommendation:	The Committee is requested to review South Bank Academies school risk registers.

Executive Summary

The purpose of this report is for the Committee to review the School level Risk Registers for 2017/18.

The register highlights the key risks under seven key categories;

- Compliance
- Safeguarding
- Finance
- Staffing
- Pupils
- Infrastructure
- Reputation

The registers calculate the risk level associated to each risk by combining the probability and impact of each risk and the combined risk level. Also listed are the actions that are being taken to mitigate each risk.

Each risk has an 'Owner' who takes responsibility for the risk and ensures the mitigating actions are undertaken and impact of the actions on the risk level reviewed. If required, additional actions are identified and implemented.

The Registers are a working documents and are reviewed termly by CEO, CFO and the Principals. All current risks will be re-assessed and emergent risks will be added.

Each school within the Trust has its own Risk Register that is aligned to the school's business and operations.

UAE risk register

Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Owner	Last reviewed	Date for next review	Status
Compliance	Inadequate level of expertise and challenge on Local Governing Body leading to ineffective local governance.	Failure to achieve mission and objectives of the School/Trust. Poor decision making and information flow.	1	3	3	Appropriate recruitment process for governors. Representation of the Trust on local governing bodies. Annual review of local governing bodies including skills audit.	Trust Board/Chair of LGB	Jun-17	Monthly	Open
Compliance	Serious breach of health & safety regulation or disability legislation occurs	Risk of litigation and Reputational risk.	1	3	3	Policies and procedures consistent with relevant legislation. Independent audit on Health and Safety and Policies. Regular reports to the board. Adequate insurance cover. Probability rating currently higher than	Principal	Jun-18	Jul-18	Open

						normal due to temporary building.				
Safeguarding	Safeguarding incident at one of the schools.	Risk to reputation locally and nationally, DfE and HSE intervention depending on scale of the event.	2	3	6	Experienced SENDCO service acquired from adjoining school. All staff and governors are given safeguarding and prevent training. All students and staff complete e-safety training and firewalls are in place to secure all ICT networks.	Principal	Jun-18	Jul-18	Open
Finance	Changes to Funding via Government policy	Proposed changes could cause a loss in income.	1	3	3	Monitoring of Government policy, Long term forecasts monitored by LGB, Financial expertise at Operational and Trustee level.	CFO/CEO	Jun-18	Jul-18	Open

Staffing	Failure to recruit key teaching and support staff posts. Inadequate competency of staff within the School.	Staff not able to carry out their duties, poor management and decision making, poor quality of teaching and learning leading to poor student outcomes. Inadequate Ofsted grading leading to reputational risk.	2	3	6	Thorough recruitment programme with all relevant staff trained, comprehensive professional development, Strong Appraisal system. Competitive remuneration and career development.	Principal	Jun-18	Jul-18	Open
Staffing	Inadequate number of teaching and support staff within UTC	Inadequate teaching and learning and student support leading to poor student outcomes. Negative termly report by DfE potentially leading to intervention.	1	3	3	Monthly monitoring of staffing levels from all schools, independent exit interviews carried out by Trust for all staff, comprehensive recruitment processes.	Principal	Jun-18	Jul-18	Open
Pupils	Failure to recruit sufficient number of pupils in to Year 10.	Reduction in pupil led income which could lead to cash flow or long term financial problems.	3	3	9	Trust and UTC Marketing capacity & delivery and effective admissions processes. Monthly monitoring of pupil numbers. Work with local secondary schools to promote engineering	Principal	Jun-18	Jul-18	Open

						education and careers.				
Pupils	Failure to recruit sufficient number of pupils in to Year 12.	Reduction in pupil led income which could lead to cash flow or long term financial problems.	2	3	6	Trust and UTC Marketing capacity & delivery and effective admissions processes. Monthly monitoring of pupil numbers. Work with local secondary school with no post 16 offer. Networking with feeder schools.	Principal	Jun-18	Jul-18	
Pupils	Poor students outcomes.	Poor examination results could cause a reputational and financial risk. Detrimental to student futures/careers.	2	3	6	Teaching and Learning constantly monitored and reported. Termly attainment reporting sent to management and pupils. Incoming students assessed for suitable attainment levels. Principal reports to local governing body.	Principal	Jun-18	Jul-18	Open

<p>Infrastructure</p>	<p>Land and Buildings are fit for purpose.</p>	<p>New Building: Opened Sept 2017. on-going potential snags. Potential disruption from Phase 2 works</p>	<p>1</p>	<p>3</p>	<p>3</p>	<p>New Building opened on 11th Sept 2017, ahead of schedule. Maintenance programmes are in place for the new building and are assessed and monitored by Principal and forwarded to Trust. Adequate budgets for building maintenance are provided. Regular site checks and external audits.</p>	<p>Principal/Trust Business Manager</p>	<p>Apr-18</p>	<p>May-18</p>	<p>Open</p>
<p>Infrastructure</p>	<p>Failure to safeguard school or assets to theft or damage by third party</p>	<p>Damage to building and assets. Health and safety risk to students and staff. Reputational damage and poor learning outcomes.</p>	<p>1</p>	<p>2</p>	<p>2</p>	<p>UTC has adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment are monitored and audited regularly. Adequate insurance is provided.</p>	<p>Principal</p>	<p>Apr-18</p>	<p>May-18</p>	<p>Open</p>

Reputation	High profile event in the school affects Trust overall	Risk to reputation nationally and locally to the school and the trust.	1	3	3	UTC will have a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	Principal/CE O	Apr-18	May-18	Open

Risk Calculation	Probability		
Impact	1 low	2 medium	3 high
1 low	1	2	3
2 medium	2	4	6
3 high	3	6	9

UTC risk register

Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Owner	rev
Compliance	Inadequate level of expertise and challenge on Local Governing Body leading to ineffective local governance.	Failure to achieve mission and objectives of the School/Trust. Poor decision making and information flow.	1	3	3	Appropriate recruitment process for governors. Representation of the Trust on local governing bodies. Annual review of local governing bodies including skills audit.	Trust Board/Chair of LGB	
Compliance	Serious breach of health & safety regulation or disability legislation occurs	Risk of litigation and Reputational risk.	1	3	3	Policies and procedures consistent with relevant legislation. Independent audit on Health and Safety and Policies. Regular reports to the board. Adequate insurance cover. Probability rating currently higher than normal due to temporary building.	Principal	
Safeguarding	Safeguarding incident at one of the schools.	Risk to reputation locally and nationally, DfE and HSE intervention depending on scale of the event.	2	3	6	Experienced SENDCO service acquired from adjoining school. All staff and governors are given safeguarding and prevent training. All students and staff complete e-safety training and firewalls are in place to secure all ICT networks.	Principal	
Finance	Changes to Funding via Government policy	Proposed changes could cause a loss in income.	1	3	3	Monitoring of Government policy, Long term forecasts monitored by LGB, Financial expertise at Operational and Trustee level.	CFO/CEO	

Staffing	Failure to recruit key teaching and support staff posts. Inadequate competency of staff within the School.	Staff not able to carry out their duties, poor management and decision making, poor quality of teaching and learning leading to poor student outcomes. Inadequate Ofsted grading leading to reputational risk.	2	3	6	Thorough recruitment programme with all relevant staff trained, comprehensive professional development, Strong Appraisal system. Competitive remuneration and career development.	Principal
Staffing	Inadequate number of teaching and support staff within UTC	Inadequate teaching and learning and student support leading to poor student outcomes. Negative termly report by DfE potentially leading to intervention.	1	3	3	Monthly monitoring of staffing levels from all schools, independent exit interviews carried out by Trust for all staff, comprehensive recruitment processes.	Principal
Pupils	Failure to recruit sufficient number of pupils in to Year 10.	Reduction in pupil led income which could lead to cash flow or long term financial problems.	3	3	9	Trust and UTC Marketing capacity & delivery and effective admissions processes. Monthly monitoring of pupil numbers. Work with local secondary schools to promote engineering education and careers.	Principal
Pupils	Failure to recruit sufficient number of pupils in to Year 12.	Reduction in pupil led income which could lead to cash flow or long term financial problems.	2	3	6	Trust and UTC Marketing capacity & delivery and effective admissions processes. Monthly monitoring of pupil numbers. Work with local secondary school with no post 16 offer. Networking with feeder schools.	Principal
Pupils	Poor students outcomes.	Poor examination results could cause a reputational and financial risk. Detrimental to student futures/careers.	2	3	6	Teaching and Learning constantly monitored and reported. Termly attainment reporting sent to management and pupils. Incoming students assessed for suitable attainment levels. Principal reports to local governing body.	Principal

Infrastructure	Land and Buildings are fit for purpose.	New Building: Opened Sept 2017. on-going potential snags. Potential disruption from Phase 2 works	1	3	3	New Building opened on 11th Sept 2017, ahead of schedule. Maintenance programmes are in place for the new building and are assessed and monitored by Principal and forwarded to Trust. Adequate budgets for building maintenance are provided. Regular site checks and external audits.	Principal/Trust Business Manager
Infrastructure	Failure to safeguard school or assets to theft or damage by third party	Damage to building and assets. Health and safety risk to students and staff. Reputational damage and poor learning outcomes.	1	2	2	UTC has adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment are monitored and audited regularly. Adequate insurance is provided.	Principal
Reputation	High profile event in the school affects Trust overall	Risk to reputation nationally and locally to the school and the trust.	1	3	3	UTC will have a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	Principal/CEO

Risk Calculation	Probability		
	1 low	2 medium	3 high
1 low	1	2	3
2 medium	2	4	6
3 high	3	6	9

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	CONFIDENTIAL
Paper title:	Anti-Fraud, Bribery and Corruption report
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	For information
Recommendation:	To note any reports of Fraud, Bribery and Corruption

Introduction

This report provides information on any changes to the Anti-Fraud, Bribery and Corruption Policy. The policy also details the procedures for reporting and resolving any claims of perceived malpractice that may occur.

Executive Summary

South Bank Academies (Trust) is committed to be an honest and ethical Multi-Academy Trust and as such is opposed any fraudulent activity. The Trust seeks to eliminate fraud by the way it conducts business.

All staff, Governors and Directors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

South Bank Academies has measures to ensure proper administration and to prevent and detect fraud and corruption. Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

There has been no identified attempted fraud or reported incidents of bribery or corruption since the last meeting in July 2017.

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	CONFIDENTIAL
Paper title:	Speak Up report
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	29 November 2017
Author:	Claire Viner
Sponsor:	Rao Bhamidimarri
Purpose:	To update the committee on any speak up matters raised since the last meeting.
Recommendation:	To note the speak up report.

Executive Summary

The purpose of this report is to provide information allowing the South Bank Academies Audit Committee to note any report relating to the Speak Up Policy.

The policy also details the procedures for reporting and resolving any claims of perceived malpractice that may occur.

Speak Up policy

The South Bank Academies (Trust) is committed to the highest possible standards of openness, probity and accountability. The Speak Up/Whistleblowing Policy and procedure supports this commitment.

The Policy is about the ways in which concerns about perceived malpractice may properly be raised within the Trust and if necessary outside the Trust.

There have been no reports made in-line with this Policy since the last meeting in July 2017.

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