**Minutes of the meeting of the South Bank Academies Audit Committee
held at 4.00 pm on Tuesday, 9 March 2021
MS Teams**

Present
Richard Flatman (Chair)
Tony Giddings
James Blastland
Zac Yiallouros

In attendance
Fiona Morey
Helena Abrahams
Michael Broadway
Natalie Ferer
Dan Cundy
Ciara Carroll
Gemma Wright (BDO)

1. **Welcome and apologies**

   The Chair welcomed the members and attendees to the meeting.
   Introductions were performed for the two new members of the Audit
   Committee.

2. **Declarations of interest**

   No member declared any interest in any item on the agenda.

3. **Minutes of previous meetings**

   The minutes from 3 December 2020 and 8 December 2020 were agreed by
   the committee.

4. **Matters arising**

   The UTC grant item was cleared by the auditor and the action was closed.
   All other actions are on the agenda for this meeting and those actions are
   closed.

5. **Internal Audit report**

   Group Covid-19 response report

   The committee noted that this group report was written during Autumn 2020
   following the restart from the first lockdown. The report was positive overall;
   the most significant item in relation to the academies was the need for a

business continuity risk assessment which was put in place in time for the next lockdown in December.

The committee asked how confident the trust was in its planning should further lockdowns be put in place after March 2021. It was confirmed that the trust anticipated the switch to remote learning would proceed smoothly, following the experience of the new lockdown in January 2021 and the switch to remote learning which was rapid and successful.

The committee queried whether the trust had plans to utilise what they had learned from school closures to extend delivery capacity on a permanent basis. It was explained that the trust is quite restricted in its funding terms in relation to teaching hours but that the remote offer from the school was highly commended by Southwark Council and the trust would be supporting partner organisations in Croydon.

Progress report

The committee reviewed the internal audit plan and discussed the necessary changes. The committee noted that the LSBU IT outage had little impact on the trust's operations as it was using cloud-based servers distinct from those used by the university; however, there would be unbudgeted expenditure this year as every part of the group moved to strengthen its IT security.

The committee noted that the internal audit report on budget setting was being finalised.

Following a request from BDO, the committee confirmed that the finding in the financial controls internal audit report could be closed off as the PSF functionality was no longer available. *The committee was assured that alternative controls were in place which would act as mitigating factors.*

6.   **External audit progress review**

The committee reviewed the progress on the outstanding recommendations from the external audit.

ParentPay debtor

All necessary information has now been gathered and the request to write-off the balance will be submitted to the ESFA in the immediate future following the committee meeting.

UTC lease agreement

The committee noted the delay in agreeing a lease for the UTC site. The draft lease was being negotiated with the Department for Education's lawyers. The Chair requested that Buzzacott be kept informed of the matter.

Missing HR contract

The work to move all employee files to an electronic format will take place over the Easter holidays.

The Chair requested that a further report be brought to the next meeting in May 2021.

The Committee requested a confirmation that all possible anti-fraud measures have been implemented to protect against fraud while the trust is working from home during the pandemic. It was confirmed that the standard processes function in the same manner whether employees are working at home or in the office and the risk of fraud and error remains the same. The external audit was conducted remotely, and no concerns were raised by the auditors. The committee was assured that the Group take the issue of cyber crime very seriously and has been significantly strengthening its protection since the IT incident in December 2020.

7.   **SRM self-assessment checklist**

The committee noted that this checklist is a tool required by the DfE to support schools and trusts to use their resources efficiently.

The trust will be using this resource plus the integrated curriculum and financial planning tools to support its budget planning for 2021-22. The committee noted the benchmarking information for both schools and noted that this was less relevant for the UTC due to its differences to other secondary schools.

The committee agreed to recommend the checklist to the board for final approval, subject to minor alterations and review by the CEO.

8.   **Risk management**

The committee noted the Group risk policy and the decisions made in relation to risk appetite at Group level. The committee was requested to review the risk appetite matrix and recommend a risk appetite for the trust, as each entity is required to set its own appetite.

Following extensive discussion, the committee agreed the following levels of risk appetite:

Financial: Cautious
Legal Compliance: Minimal
Academic Activity: Seek
Reputation: Cautious

The committee agreed to recommend the risk appetite profile to the Board for approval.

The new format of the risk registers was received by the committee. It was agreed that the risk ratings on some of the items may need to be reviewed to ensure that they are correct; this is likely due to the transfer from the old register format to the new.

A new risk related to cyber crime has been added to the register following the IT incident at LSBU. The committee discussed the related spending that will be required to meet the recommendations of the IT security internal audit and the necessary upgrades that are required following the incident. Further costs are also required to manage the increased use of remote learning.

9.   **Anti-fraud, bribery and corruption report and Anti-fraud policy**

The anti-fraud report was noted.

The anti-fraud policy updates were agreed subject to a minor clarification.

The policy is to be brought to the SBA Board meeting on 18 March 2021.

10.   **Speak up report and annual review of Speak Up policy**

The speak-up report was noted.

The annual review of the Speak Up policy was noted, and the policy was agreed by the committee.

**Date of next meeting
4.00 pm, on Tuesday, 25 May 2021**

Confirmed as a true record

.... (Chair)