

Meeting of the South Bank Academies - Audit Committee

4.00 - 6.00 pm on Thursday, 6 July 2017
in 1A13 - 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
<i>Items to discuss</i>			
5.	Internal audit function	9 - 16	DS
<i>Items to approve</i>			
6.	External audit plan	17 - 24	AK
7.	Anti-fraud policy	25 - 28	DS
8.	Speak up policy	29 - 32	DS
<i>Risk items</i>			
9.	MAT risk register	33 - 36	DS
10.	Schools' risk registers	37 - 42	DS
<i>Items to note</i>			
11.	Assurance report	43 - 44	RB
12.	Any other business		RF

Date of next meeting
2.30 pm on Wednesday, 15 November 2017

Members: Richard Flatman (Chair) and Tony Giddings

Apologies: Adam Crossley and Rao Bhamidimarri

In attendance: Anjali Kothari (Auditor - Kingston Smith), Dan Smith, Michael Broadway, Dan Smith and Pervena Singh (Clerk)

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**Minutes of the meeting of the South Bank Academies - Audit Committee
held at 3.00 pm on Thursday, 9 March 2017
1B27 - Technopark, SE1 6LN**

Present

Richard Flatman (Chair)
Adam Crossley
Tony Giddings

In attendance

Dan Smith (Business Manager)
Rao Bhamidimarri (CEO)
Michael Broadway (Company Secretary)
Pervena Singh (Clerk)

1. Welcome and apologies

The Chair welcomed members to the meeting. No apologies had been received.

2. Declarations of interest

No members declared an interest in any item of the agenda.

3. Minutes of previous meeting

The committee approved the minutes of the meeting of Tuesday, 29 November 2016.

4. Matters arising

The committee discussed the pending matter below;

Apprenticeship Levy – The Business Manager was seeking advice on how best to deal with the forthcoming Apprenticeship Levy. An update would be provided to the next meeting.

All other matters arising were completed.

5. Internal audit function

The committee noted the scope of the proposed internal audit function. The proposed controls covered health and safety audit, single central record audit,

data warehouse - staffing, external school review, data warehouse - students, data warehouse – admission/application numbers, authorisation to recruit form and exit interviews, monthly finance reporting and payroll reconciliations, and census information. These controls were linked to the schools' KPIs and the MAT risk register.

The committee approved the proposed controls and requested the Business Manager to make recommendations on which controls the Audit Committee and the Local Governing Bodies would each review.

6. MAT risk register

The committee noted the MAT risk register. The committee discussed the additional risks within the register relating to Safeguarding. Risks around Safeguarding, Compliance, Finance, Staffing and Pupils numbers remain high risk.

The committee noted that each school in the MAT was developing individual risk registers which will be aligned to the MAT risk register and reviewed by each local governing body. It was further agreed that the MAT Audit Committee should have visibility of local risk registers.

The committee requested the risk register to show the movement of risks between meetings, and clearly show new risks that have been added, in addition to the risk register commentary.

7. Anti-fraud policy

The committee agreed that the policy should be updated to reflect zero tolerance approach to fraud and that any areas of malpractice would be reported to the police.

The committee approved the Anti-fraud policy report, subject to the above change. The committee also requested the inclusion of definition of fraud.

The committee commented on the proposed approval, in the event of a suspected fraud involving the Business Manager or CEO, and suggested that the Chair of the Audit Committee would be alerted in such an event.

The committee requested that recommended changes to the policy be presented at next Audit Committee meeting, along with a report of any instances of fraud which had been identified between meetings.

8. Whistleblowing policy

The committee discussed the whistleblowing policy, and suggested further adjustments to the policy to improve independent reporting lines.

The committee requested a revised version for the next meeting.

9. Safeguarding compliance report

In the absence of a written paper, the committee suggested that the safeguarding compliance report should provide the committee with visibility of issues or events that the Audit Committee need to be aware of.

It was requested that the report be called an assurance report, to report on the key risks within the MAT and schools, including safeguarding.

The assurance report will illustrate if controls have been effectively put in place, include corrective actions for any concerns identified.

The CEO confirmed that there were no safeguarding issues in either school to report.

10. Any other business

The committee discussed the need to proactively communicate and distribute the discussed policies and agreed for them to be published on the relevant websites.

**Date of next meeting
3.00 pm, on Thursday, 15 June 2017**

Confirmed as a true record

..... (Chair)

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**SOUTH BANK ACADEMIES - AUDIT COMMITTEE - THURSDAY, 9 MARCH 2017
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
5.	Internal audit function	Business Manager to make recommendations on which controls the Audit Committee and which controls the Local Governing Bodies should each review.	Dan Smith	Included within internal audit function report
6.	MAT risk register	MAT risk register to show the movement of risks, and newly added risks, in addition to the registers commentary. Local school risk registers to be reviewed by Audit committee.	Dan Smith Dan Smith	Included within register Included on agenda
7.	Anti-fraud policy	Recommended changes to the Anti-fraud policy, to be presented at the next meeting. A report on any fraud incidences to be included at future Audit Committee meetings.	Dan Smith Dan Smith	Amendments made and a final version is included in the meeting pack. Included within report.
8.	Whistleblowing policy (now known as Speak Up policy)	Revised version of Speak Up policy to be presented at the next Audit Committee meeting.	Dan Smith	Amendments made and a final version has been provided within 15 June 2017 meeting pack.
9.	Safeguarding compliance report	Assurance report to be presented at future Audit Committee meetings. Report to include key risks within the MAT and schools.	Dan Smith / Rao Bhamidimarri	Included on agenda

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	CONFIDENTIAL
Paper title:	Internal Audit Function/Controls Report
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	6 th July 2017
Sponsor:	CEO
Author:	Dan Smith
Recommendation:	To review the Internal Audit and Controls

Executive Summary

The purpose of this report is to provide information allowing the South Bank Academies Audit Committee to review the current internal audit controls.

Shown within this report;

- A table showing the areas of control and audit and what information should be submitted to the Trust or the schools.

Latest analysis on the following controls;

- Student Recruitment
- Health and safety Audits
- Teaching Observations
- Student Numbers

Internal Audit Report

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 the previous audit committee.

There will be timing issues with the production of information, i.e. the Census is due on the 14th June which means that any analysis from the submissions will be too late to include within this report.

Student Recruitment

Tracking of student recruitment and applications is completed on a weekly basis, student numbers are directly linked to income.

Academy

Recruitment at two stages (Year 7 and Year 12).

In Year 7 admissions are co-ordinated by the local authority (LA), the table below shows that 154 students were allocated by the LA and 132 have currently accepted their place. The Academy is currently chasing an additional 14 who have yet to accept/decline.

Allocation from Local Authority	154
Offers Declined (A)	8
Current Acceptances (B)	132
Offers but no acceptance (C)	14
Total Offers Outstanding B+C	146
Funded/Submitted Numbers	150

In Year 12 the Academy completes the whole admissions process and the table below shows the cumulative applications received at the end of each month.

	Cummulative Applications								
	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Year 12	0	0	9	25	28	35	36	0	0

The following table forecasts the number of students starting in September 2017 in Year 12, it does this by 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.

	Year 12
Current Applications	36
Increase by Last Year Factor (This Time to End)	1.13
Forecast End Application	41
Reduce by Fall Off Factor (End Applications to Starters)	0.45
Forecast Numbers	18
Funded/Submitted Numbers	24

Findings and Actions

Both Year 7 and 12 forecasted numbers are slightly below those submitted to the DfE. The imminent release of the Academy's 'Good' Ofsted grading should enable the Academy to convert undecided applicants at both entrant levels. Letters will be sent to all prospective students to solidify current numbers and encourage additional applicants.

UTC

Recruitment at two stages (Year 10 and Year 12). Year 10 is not a natural time for students to transfer schools and recruitment can prove difficult for many UTC's. Both recruitment stages are co-ordinated wholly by the UTC. The table below shows the cumulative applications received at the end of each month.

	Cummulative Applications								
	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Year 10	0	9	11	11	21	25	31	0	0
Year 12	58	84	131	146	167	170	175	0	0
Total	58	93	142	157	188	195	206	0	0

Using last year's recruitment as a guide the following table shows forecasted student numbers for 2017/18 and compares them against submitted/funded numbers.

	Year 10	Year 12	
Current Applications	31	175	
Increase by Last Year Factor (This Time to End)	1.04	1.09	
Forecast End Application	32	191	
Reduce by Fall Off Factor (End Applications to Starters)	0.64	0.45	
Forecast Numbers	21	85	106
Funded/Submitted Numbers	50	56	106

Findings and Actions

Year 10 recruitment has proved difficult but Year 12 forecasted starters is above the numbers submitted to the DfE for funding, overall there is no difference in student numbers between forecast and funded, however it should be remembered that Year 12 students are funded at a lower level per pupil.

Future pupil number forecasts should take into consideration the difficulty in Year 10 recruitment.

Health and Safety Audits

The Trust engages Judicium Education to audit each school site termly 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 (shown in table below).

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.

Findings and Actions

There are no 'Very High' findings. The UTC has a number of 'High' category issues but these relate to the temporary accommodation and areas they have little control of, the Academy's 'High' levels relate to a few members of staff not completing their online courses at the time of audit.

The Trust has been assured by Judicium Education that there are no immediate concerns on either site.

Teaching Observations

Internal teaching observations are continuously completed and are categorised into the Ofsted grades (Outstanding, Good, Requires Improvement and Poor). Key performance Indicators for each school in 2016/17 are that there should be 100% Good or better and that 35% should be Outstanding.

The tables below show the observations completed by half term and by grading, overall percentages for each grade are also shown and compared to the KPI agreed.

UTC										
Teaching Observations										
	Half Term									
	1	2	3	4	5	6	Total	Percentage	KPI	
Outstanding	0	4	3	3	0	0	10	37%	35%	
Good	0	3	6	2	0	0	11	41%		
Requires Improvement	0	2	0	4	0	0	6	22%		
Poor	0	0	0	0	0	0	0	0%		
Total	0	9	9	9	0	0	27			
							Good or Outstanding	78%	100%	

Academy										
Teaching Observations										
	Half Term									
	1	2	3	4	5	6	Total	Percentage	KPI	
Outstanding	2	1	1	0	0	0	4	9%	35%	
Good	10	6	7	8	0	0	31	70%		
Requires Improvement	2	2	2	2	0	0	8	18%		
Poor	1	0	0	0	0	0	1	2%		
Total	15	9	10	10	0	0	44			
							Good or Outstanding	80%	100%	

Findings and Actions

The UTC is currently on target to reach the targeted performance indicator for Outstanding teaching of 35%. The Academy is below this indicator at 9%.

It may be worth revising the Good or Outstanding KPI of 100%, new staff may need support and training and it could be worth removing teachers that have been at the school longer than on year and analysing them separately.

Student Numbers

Shown below are the student numbers shown 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.

Academy							
Pupil Numbers							
	Half Term						
	1	2	3	4	5	6	Percentage
Year 7	136	137	138	138			35%
Year 8	127	127	133	132			34%
Year 9	93	93	95	95			24%
Year 10	0	0	0	0			0%
Year 11	0	0	0	0			0%
Year 12	22	22	24	24			6%
Year 13	0	0	0	0			0%
Total	378	379	390	389	0	0	
	Half Term						
	1	2	3	4	5	6	KPI
Attendance Pre 16	98%	96%	93%	96%			96%
Attendance Post 16	98%	96%	98%	95%			96%

The Academy's student numbers have grown throughout the year and despite a small fall in attendance in half term 3 the attendance figures have been consistent.

UTC							
Pupil Numbers							
	Half Term						
	1	2	3	4	5	6	Percentage
Year 10	36	36	36	36			39%
Year 11	0	0	0	0			0%
Year 12	56	56	56	56			61%
Year 13	0	0	0	0			0%
Total	92	92	92	92	0	0	
	Half Term						
	1	2	3	4	5	6	KPI
Attendance Pre 16	94%	94%	90%	95%			96%
Attendance Post 16			90%	96%			96%

The UTC's student numbers have been consistent throughout the year. Attendance percentage is low due to a small number of students having attendance problems. With less than 100 students any student will have a large effect on the overall percentage.

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	CONFIDENTIAL
Paper title:	External Audit Plan 2017 - 18
Board/Committee	South Bank Academies
Date of meeting:	6 th July 2017
Author:	Dan Smith, Business Manager
Purpose:	To approve
Recommendation:	Directors are requested to approve the plan and timetable.

Executive Summary

South Bank Academies' annual statement of accounts must be submitted to the Department for Education by 31 December 2017. The auditors, Kingston Smith, have prepared the following plan outlining the scope of their approach and timetable.

The meeting is requested to approve the audit scope and timetable.

9 June 2017

D Smith Esq
Southbank Academies Trust
Trafalgar Street
London
SE17 2TP

Our ref:
AK/U1068/dl/sph

Dear Sirs

Audit of the financial statements of the Southbank Academies Trust for the year ended 31 August 2017

The purpose of this letter and appendices is to set out the key elements of our proposed approach to the audit of your financial statements for the year ended 31 August 2017. The objective of our audit is to enable us to express an audit opinion on those financial statements.

Some other key elements of our approach, and our mutual responsibilities in respect of the audit of the financial statements, are set out in our audit engagement letter dated 22 July 2016.

We will report any material adverse or unexpected findings arising from our audit procedures on a timely basis to the Audit Committee.

We would be grateful for any comments you have on the contents of this letter, or alternatively your confirmation that you do not have any comments.

Yours faithfully

KINGSTON SMITH LLP

APPENDIX 1: KEY ELEMENTS OF OUR APPROACH

Audit Approach

We operate a risk based audit approach, assessing the audit risk relevant to individual areas of the financial statements according to how susceptible they are to material misstatement. Based on that assessment we then design the nature and extent of our audit testing to give us reasonable assurance that the balance or class of transactions is free from material misstatement. We believe that the following areas of higher audit risk should be brought to your attention:

Risk: Income recognition

- Income recognition – DFE funding could be recognised in the wrong period.



Audit Approach

- We will look to gain assurance in this area by performing cut-off testing and reviewing a sample of post year end transactions to ensure income has been recognised in the correct accounting period.

Risk: Management override

- Management override of controls – management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records, overriding controls that otherwise appear to be operating effectively. (ISA 240 para 31)



Audit Approach

- We will review journals raised in the year for any unusual entries or patterns
- We will test a sample of journals to identify the nature of the journal and evaluate whether there is a genuine rationale for the adjustment.

APPENDIX 1: KEY ELEMENTS OF OUR APPROACH (continued)

Materiality

An item is considered material to the financial statements if, through its omission, over-statement or non-disclosure, the financial statements would no longer show a true and fair view. To enable us to perform an appropriate level of audit testing a figure for materiality is calculated at the planning stage.

We will also consider materiality at the finalisation stage in order to assess whether errors and/or omissions identified during the course of the audit need to be adjusted in the financial statements.

We will let you know of any such errors or omissions, other than those which are trivial, as soon as possible once they have been identified and discuss with you whether we believe they should be corrected. We are required to request that all errors be corrected except those that are trivial, but if an individual error, and the errors in total are not material, this will not usually impact our audit opinion if they are not adjusted.

If the error is material and is not corrected then we will not be able to issue a clean audit report. An error may be material because of its nature rather than just its size so in some circumstances errors which are smaller than our calculated materiality may still be material.

APPENDIX 1: KEY ELEMENTS OF OUR APPROACH (continued)

Audit and non-audit services to be provided

Our estimated fees (shown net of VAT) for our audit, and for non-audit services to be provided to you, are set out below.

Service	2017 £	2016 £
Audit of the financial statements for Southbank Academies Trust for the year ended 31 August 2017	6,900	5,400
Preparation of the statutory financial statements for the year ended 31 August 2017	2,400	1,500
Extra fee for additional audit work	N/A	6,800
Audit of Southbank UTC	N/A	2,750
Preparation and audit of the Academies Accounts Return	1,900	2,990
Provisional fee for additional time incurred in transitioning to FRS 102	N/A	745

Our fees are based on the anticipated time to be spent. In the event that we need to make any changes to these estimates, we will discuss this with you.

As part of our services included above, you have asked us to attend the Audit Committee to discuss the accounts and the main findings from our audit work.

We also supply the following non audit services:-

- Audit of the Teachers' Pensions Scheme returns
- Ad hoc advice

Independence and objectivity

We have considered our independence and objectivity as auditors for the period under review and do not believe there are any other matters which should be brought to the attention of the Audit Committee, as constituting a threat to our independence and objectivity.

To maintain our independence as auditors we ensure that:-

- Audit partners and managers are subject to rotation for listed companies/public interest organisations, etc so as to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.
- Kingston Smith LLP, its partners and the audit team have no family, financial, employment, investment or business relationship with audit clients.
- Fees paid by individual audit clients do not represent an inappropriate proportion of total fee income for the firm, office or individual partner.
- Where required because of the public accountability of the entity, its size or the complexity of its operations, an independent second partner will review the audit file.

APPENDIX 2: LOGISTICS

Timetable

We expect the audit timetable to be as follows, as discussed and agreed with you:

Event	Date
Audit fieldwork commences	9 October 2017
Draft accounts prepared	20 October 2017
Final audit meeting	1 November 2017
Audit committee meeting	15 November 2017
Board meeting	7 December 2017

We will supply you with a list of the information we will need to perform the audit and would be grateful if this information could be made available on the day we start our audit fieldwork. If there are delays in receiving information we may need to revise this timetable. We will of course let you know if we anticipate that any changes to the timetable will be necessary.

Audit team

	Name	Phone number	Email
Partner and senior statutory auditor	Anjali Kothari	020 7566 3656	akothari@kingstonsmith.co.uk
Manager	Danna Lukic	020 8848 5526	dlukic@kingstonsmith.co.uk
Senior	Steph Fuller	01727 896000	sfuller@kingstonsmith.co.uk

We will let you know as soon as possible of any changes to the proposed audit team

APPENDIX 3: AUDITOR'S RESPONSIBILITIES

Our duty as auditors is to report to the shareholders whether in our opinion the financial statements which the directors have prepared do give a true and fair view and comply with the Companies Act 2006. We are also required to report whether in our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements. As part of our audit we are also required to consider the following matters and to report on any in respect of which we are not satisfied:

- (a) whether adequate accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
- (b) whether the company's financial statements are in agreement with the accounting records and returns;
- (c) whether certain disclosures of governors' remuneration specified by law have been made; and
- (d) whether we have obtained all the information and explanations which we require for the purpose of our audit.

You will make full disclosure to us of all relevant audit information to enable the directors to make the statements required by section 418 of the Companies Act 2006 to be included in the Directors Report.

We have a professional obligation to report if the financial statements do not comply in any material respect with United Kingdom Accounting Standards or International Financial Reporting Standards (as appropriate), unless in our opinion the non-compliance is justified in the circumstances. We are also required to carry out our audit in accordance with the International Standards on Auditing (UK & Ireland) approved by the Auditing Practices Board and to have regard to any relevant Auditing Guidelines issued by them. Accordingly our work will be planned to enable us:

- (a) to obtain an understanding of your accounting system in order to assess its adequacy as a basis for the preparation of the financial statements; and
- (b) to obtain relevant and reliable evidence sufficient to enable us to draw reasonable conclusions therefrom, in particular as to the accuracy and completeness of the recording of transactions and as to the existence, ownership and valuation of assets and liabilities.

As noted above, our report will be made solely to the company's members, as a body, in accordance with Section 3 of Part 16 of the Companies Act 2006. Our audit work will be undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for the audit report, or for the opinions we form.

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	CONFIDENTIAL
Paper title:	Anti-Fraud Policy
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	6 th July 2017
Sponsor:	CEO
Author:	Dan Smith
Purpose:	Approve
Recommendation:	To approve the Anti-Fraud Policy

Executive Summary

A number of changes have been made to the policy in light of the comments made at the March audit committee meeting. Amendments from the initial draft tabled in March are highlighted in red.

The Anti-Fraud Policy is presented to the audit committee for approval.

There have been no instances or notifications of fraud during the academic year 2016/17.

SOUTH BANK ACADEMIES

Anti-Fraud Policy

Introduction

South Bank Academies (Trust) aims to be an honest and ethical multi-academy trust and as such is opposed any means of fraud. The Trust will seek to eliminate fraud by the way it conducts business, **taking a zero tolerance approach to fraud and any areas of malpractice would be reported to the police.**

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 many measures to ensure proper administration and 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.

Aim

In an aim to eliminate fraud the Trust will:

- include in this policy a formal statement of its expectations on standards of personal conduct, propriety and accountability
- the establishment of adequate and effective systems of internal financial and management control, and an independent audit function with an on-going responsibility to review and report on these systems
- include in this policy a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Trust and a fraud response plan, which sets out the Trust's policies and procedures to be invoked, following the reporting of possible fraud or the discovery of actual fraud.

Definition of fraud

Fraud can be defined as the use of deception with the intention of:

- **Gaining an advantage, personally and/or for family or friends**
- **Avoiding an obligation**
- **Causing a financial loss to the Trust or one of its schools**

Whilst not a definitive list, the main types of fraud are:

- The theft of cash, assets or any other property of the Trust by staff or students
- False accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the Trust or furnishing information which is or may be misleading, false or deceptive
- Deliberate claiming of expenses that were not incurred on Trust business, or the use of Trust Charge Cards for the same purpose
- Abuse of position – abusing authority and misusing Trust resources or information for personal gain or causing loss to the Trust
- Entering into unfavourable contracts or arrangements with suppliers in order to benefit personally from the relationship.
- Attempting to make payments to the Trust with a stolen or unauthorised credit/debit card.

Operation

The Trust aims to promote an organisational culture, which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the Trust's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all members of staff, students and constituent parts of the Trust. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, the Trust must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that employees of the Trust must at all times conduct financial affairs in an ethical manner.
- All members of staff and lay members of Trust committees are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Trust or its related companies, minority interest companies and trading areas.
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom she/he has a personal interest must disclose this to the Trust Business Manager. The Trust Business Manager should disclose any personal interest to the CEO.
- Employees of the Trust shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Trust's interests.
- Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other Trust property.

Taken together, these represent a statement of the framework within which employees are expected to conduct themselves.

Systems of Internal Control

The next line of defence against fraud is the establishment of operational systems, which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls, such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision.

HR policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the Trust are documented in the Financial Handbook. The Financial Handbook is reviewed, updated and issued periodically by the Trust Business Manager, following approval by the Trust Board. They are binding on all members of staff, students and constituent parts of the Trust.

Independent auditors provide advice to management in respect of control matters and conduct a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

The Trust will work closely with Police and other appropriate agencies to combat fraud.

Computer system controls have been implemented to minimise any illegal access to certain sensitive programmes and databases. These include password logon control, access control into programmes and firewalls.

Fraud response

The Fraud Response Plan sets out the Trust's policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses
- reduce any adverse operational effects
- improve the likelihood and scale of recoveries
- demonstrate that the Trust retains control of its affairs in a crisis; and

- make a clear statement to employees and others that it is not a soft target for attempted fraud.

The plan includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate
- lack of leadership and control so that investigators are not properly directed and waste time and effort
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost
- adverse publicity which could affect confidence in the Academy; and create an environment which, because it is perceived as being ill-prepared, increases the risk of fraud.

Fraud plan

The main elements of the Trust's plan are as follows.

- All members of staff, students and constituent parts of the Trust are required to notify immediately the Trust Business Manager of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the Trust.
- The Trust Business Manager will ascertain whether or not the suspicions aroused have substance. She/he will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the CEO.
- The CEO will have the initial responsibility for co-ordinating the Trust's response. In doing this she/he will seek advice from a Solicitor or Employment Law advisor regarding potential employment or litigation issues before taking any action.
- **In the event of suspected fraud involving the Trust Business Manager or the CEO, all members of staff, students and constituent parts of the Trust are asked to notify the Chair of the Audit Committee.**
- The Trust is required to notify the Trust Board of any acts of fraud or financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations.
- The CEO will keep the Chair of the Trust Board fully informed between committee meetings of any developments relating to control weaknesses, fraud or accounting breakdowns.
- If evidence of a fraud is forthcoming then the Trust Board will inform the DfE as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

Monitoring and Evaluation

The Trust Board and CEO will monitor the operation and effectiveness of the Trust's Fraud Policy at specified intervals.

	CONFIDENTIAL
Paper title:	Speak Up Policy
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	6 th July 2017
Sponsor:	CEO
Author:	Dan Smith
Purpose:	Approve
Recommendation:	To approve the Speak Up Policy

Executive Summary

The purpose of this report is to provide information allowing the South Bank Academies Audit Committee to approve the revised Speak Up Policy. Amendments to the March submission are shown in red.

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

South Bank Academies Speak Up Policy

Introduction

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

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

The Public Interest Disclosure Act gives legal protection to workers against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. Where an individual discovers information which he or she believes shows malpractice or wrongdoing within the organisation then it should be disclosed without fear of reprisal, and this may be done independently of line management.

Scope

This Speak Up policy is intended to allow students, staff and others associated with the Trust to raise concerns and disclose information about perceived malpractice.

The term 'malpractice' includes, but is not limited to:

- financial malpractice, impropriety or fraud
- breaches of financial controls, false accounting/reporting, financial and other reporting irregularities
- academic malpractice
- failure to comply with Trust's legal or regulatory obligations – for example about the health and safety of students, employees or the public, anti-discrimination legislation, trading standards or environmental protection laws
- unethical business conduct, where colleagues receive or solicit anything of value from a third party or promise, offer or give anything of value to influence the decision of a third party in procurement or contract execution for Trust
- any other criminal activity, such as assault
- bullying, harassment, discrimination or victimisation of others
- colleagues who are involved in the taking, buying, selling of drugs or other forms of substance abuse
- a miscarriage of justice
- actions intended to hide any of the above
- behaviour which might damage South Bank Academies' reputation

Aim

All employees have the right to be able to raise a concern about working practices and other areas of concern in the public interest and receive feedback on actions taken. South Bank Academies will seek to engender an ethical and open culture in which establishes safe routes of communication without reprisal, impartial and effective investigative procedures which respect confidentiality. The key principles therefore are to:

- Provide avenues for employees to raise genuine concerns internally as a matter of course and receive feedback on actions taken

- Ensure that matters are dealt with quickly and appropriately and ensure that concerns are taken seriously
- Re-assure employees that they will be protected from reprisals or victimisation for whistle-blowing in good faith

Operation

Initially, an employee should normally raise concerns to their line manager or where their line manager is concerned, the Principal. Students are encouraged to raise any concerns with a member of staff who can assist in progressing the concern. Any issues concerning the Principal should be raised with the Chief Executive Officer. Any issues concerning the Chief Executive Officer should be made to the South Bank Academies Audit Committee which is independent of the senior management team, letters for this committee should be sent to the Trust's Head Office address available on the Trust's website.

Ideally, concerns are better raised in writing. The employee should set out the background and history of the concerns, giving names, dates and places where possible, and the reasons why the employee is particularly concerned about the situation. If an employee does not feel able to put the concern in writing, the employee should telephone or meet their line manager or Principal. It is important, however that when the concern is raised, the employee makes it clear that they are raising the issue via the Speak Up procedure.

Although an employee is not expected to prove the truth of an allegation, they will need to demonstrate to the person contacted that there are sufficient grounds for concern.

An initial meeting will be held between their line manager or Principal and the individual raising the concern to establish there is genuine and sufficient grounds for concern and that the concern is appropriately being raised by the Speak Up Policy. Employees may bring a colleague or trade union representative to any meetings under this Policy who must respect the confidentiality of your disclosure and any subsequent investigation. A formal record will be kept of this meeting which the person raising the concern will be asked to sign. The line manager or Principal should positively encourage the employee to do this as a concern expressed anonymously is much less powerful and more difficult to address.

After the initial meeting, the line manager or Principal will determine if an investigation is appropriate and what form it should take. A record will be kept of this meeting and the agreed actions. In the case of any concerns regarding the Principal, the Chief Executive will determine if an investigation is appropriate.

The line manager or Principal will communicate with the employee during the investigative process and will write a response at the end of the process outlining the steps that have been taken and provide advice and guidance on further actions if the outcome is deemed inappropriate. At all stages the identity of the individual raising the concern will be kept confidential as far as possible.

The line manager, Principal or Chief Executive will explain to the employee if that during the process it is uncovered that the allegations are in any way malicious or vexatious, then disciplinary action may be taken against them.

If the investigation finds the allegations to be unfounded the matter will be considered to be closed unless any new evidence is received.

A brief anonymised report of all disclosures and any actions taken will be regularly reported to the South Bank Academies Audit Committee. **Page 31**

Independent reporting line

Alternatively employees can use South Bank Academies' independent reporting line provided by Safecall. You can contact Safecall in confidence by:

- phoning: 0800 915 1571
- emailing: lsbu@safecall.co.uk
- completing a web form available at www.safecall.co.uk/report

Each matter will be considered by the relevant member of the senior management team and the Chair of the Audit Committee, who is independent of the senior management team. If a member of the senior management team is the subject of the disclosure it will be considered solely by the Chair of the Audit Committee.

Monitoring and Evaluation

The South Bank Academies Audit Committee and Chief Executive Officer will monitor the operation and effectiveness of the Speak Up Policy.

	CONFIDENTIAL
Paper title:	MAT Risk Register
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	6 th July 2017
Author:	Jamie Waller, Projects Administrator
Sponsor:	CEO
Presenter:	Dan Smith
Purpose:	To Review
Recommendation:	The paper is presented to review the Risk Register.

Executive Summary

The Risk Register 2016-17 highlights the key risks for South Bank Academies under six key categories;

- Compliance
- Finance
- Staffing
- Pupil Levels
- Infrastructure
- Reputation

The register calculates the risk level associated to each risk by combining the probability of the risk and the impact of the risk. Also listed are the actions that have been taken to mitigate each risk. Each risk will have an 'Owner' to take responsibility for the risk and ensure the mitigating actions are undertaken and deployed. The Register is an ongoing document and will be reviewed each year: all current risks will be re-assessed and emergent risks will be added. Each school within the Trust will have its own Risk Register that is aligned to the schools' operations.

Significant change from the last review:

- Staffing – Academy recruitment of permanent principal complete and recruitment targets met for 2017/18 has reduced the risk level from high to low.

High Risk areas currently are:

- Safeguarding as above.
- Compliance – Health and Safety due to temporary accommodation at the UTC.
- Finance – The new Fair Funding formula will mean changes to school funding. The full impact will not be known until we receive our 2017/18 funding statements.
- Pupils – Current application numbers for Post 16 places at both schools and Year 10 students at the UTC are unknown.

Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Owner	Last reviewed	Date for next	Status	Change
Compliance	Inappropriate Governance structure and organisation	Failure to achieve mission and objectives of the Trust. Poor decision making and information flow.	1	3	3	Department for Education oversight and approval. Periodic Ofsted inspection. Qualified and experienced Governance support.	Chair	Feb-17	May-17	Open	→
Compliance	Inadequate level of challenge and ineffective local governance affects Trust overall	Failure to achieve mission and objectives of the Trust. Poor decision making and information flow. Risk of one establishment not following Trust procedures.	1	3	3	Representation of the Trust on local governing bodies. Annual review of local governing bodies including external audit.	Chair	Feb-17	May-17	Open	→
Compliance	Serious breach of health & safety regulation or disability legislation occurs	Risk of litigation and Reputational risk.	2	3	6	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 used by UTC.	CEO	Feb-17	May-17	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 on induction. All students and staff complete e-safety training and firewalls are in place to secure all ICT networks.	CEO	Feb-17	May-17	Open	→
Finance	Changes to Funding via Government policy	Any changes could cause a loss in income.	2	3	6	Monitoring of Government policy, Long term forecasts, Financial expertise at Operational and Trustee level	Trust Business Manager/CEO	Feb-17	May-17	Open	→
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 and action by DfE	1	3	3	Trust financial controls and procedures will be set 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	Trust Business Manager/CEO	Feb-17	May-17	Open	→
Finance	Financial controls and systems are not adequate or maintained	Risk that policies and procedures are not followed and that value for money is not considered in procurement and staff costs.	2	2	4	Trust financial controls and procedures will be set 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	Trust Business Manager/CEO	Feb-17	May-17	Open	→

Staffing	Failure to recruit key management posts and inadequate competency of staff within the Trust or the Schools	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 leading to reputational risk.	1	3	3	Thorough recruitment programme, comprehensive professional development, Strong Appraisal system. Recruitment of specialist staff for key positions.	CEO/Principals	Feb-17	May-17	Open	↓
Staffing	Inadequate number of staff within the Trust or the Schools	Inadequate teaching and learning and student support.	1	3	3	Monthly monitoring of staffing levels from all schools, independent exit interviews for all staff, comprehensive recruitment processes.	CEO/Principals	Feb-17	May-17	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 effective admissions processes. Monthly reports on pupil numbers for monitoring. Benchmarking against local rival schools.	CEO/Principals	Feb-17	May-17	Open	→
Pupils	Poor students outcomes in Trust schools	Poor examination results could cause a reputational and financial risk. Detrimental to student futures/careers.	2	2	4	Teaching and Learning constantly monitored and reported. Termly attainment reporting sent to management and pupils. Principal reports to local governing body.	CEO/Principals	Feb-17	May-17	Open	→
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	Each school will have a maintenance programme and this will be assessed and monitored by a Trust staff member. Adequate budgets for building maintenance are provided. Regular site checks by facilities team and external audits.	Trust Business Manager/CEO	Feb-17	May-17	Open	→
Infrastructure	New School Projects embarked on without appropriate design and construction. Insufficient due diligence undertaken for going concerns.	Existing school could transfer reputational or financial risks and new schools need an appropriate learning environment.	2	2	4	Professional and independent advice sought before any project undertaken.	Trust Business Manager/CEO	Feb-17	May-17	Open	→
Infrastructure	Failure to safeguard school or academy assets to theft or damage by third party	No provision for security or prevention systems or inadequate insurance causing financial risk or risk to student safety	2	2	4	All schools will have adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment are monitored and audited regularly. Adequate insurance is provided.	Trust Business Manager/CEO	Feb-17	May-17	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	Critical Incident plan for each school will list what should happen and delegation of duties in the event of an emergency situation.	CEO	Feb-17	May-17	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								
Key - Areas											
Compliance											
Safeguarding											
Finance											
Staffing											
Pupil Levels											
Infrastructure											
Reputation											

	CONFIDENTIAL
Paper title:	Schools' Risk Registers
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	6 th July 2017
Author:	Jamie Waller, Projects Administrator
Sponsor:	CEO
Presenter:	Dan Smith
Purpose:	To Review
Recommendation:	The paper is presented to review the schools risk register.

Executive Summary

The Risk Register 2016-17 highlights the key risks for South Bank Academies under six key categories;

- Compliance
- Finance
- Staffing
- Pupil Levels
- Infrastructure
- Reputation

The register calculates the risk level associated to each risk by combining the probability of the risk and the impact of the risk. Also listed are the actions that have been taken to mitigate each risk. Each risk will have an 'Owner' to take responsibility for the risk and ensure the mitigating actions are undertaken and deployed. The Register is an ongoing document and will be reviewed each year: all current risks will be re-assessed and emergent risks will be added. Each school within the Trust will have its own Risk Register that is aligned to the schools' operations.

Significant / High Risk:

- Staffing – Academy recruitment of permanent principal complete and recruitment targets met for 2017/18 has reduced the risk level from high to low.
- Infrastructure - UTC land or building not fit for purpose and potential damage to persons of assets raises risk level to High (9).
- Safeguarding – Incident in either school.
- Compliance – Health and Safety due to temporary accommodation at the UTC.
- Finance – The new Fair Funding formula will mean changes to school funding. The full impact will not be known until we receive our 2017/18 funding statements.
- Pupils – Current application numbers for Post 16 places at both schools and Year 10 students at the UTC are unknown.
- Infrastructure - UTC land or building not fit for purpose and potential damage to persons of assets.

**South Bank Academies
Risk Register - Academy**



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	Jul-17	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.	Principal	Jun-17	Jul-17	Open
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 full time SENDCO as member of staff. All staff and governors are given safeguarding and prevent training on induction. All students and staff complete e-safety training and fire drills are in place to secure all ICT networks.	Principal	Jun-17	Jul-17	Open
Finance	Changes to Funding via Government policy	Proposed changes could cause a loss in income.	2	3	6	Monitoring of Government policy, Long term forecasts monitored by LGB, Financial expertise at Operational and Trustee level.	Trust Business Manager/Principal	Jun-17	Jul-17	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.	1	3	3	Thorough recruitment programme with all relevant staff trained, comprehensive professional development, Strong Appraisal system. Recruitment of specialist staff for key positions.	Principal	Jun-17	Jul-17	Open
Staffing	Inadequate number of teaching and support staff within the Academy.	Inadequate teaching and learning and student support leading to poor student outcomes. Unsatisfactory Ofsted grading leading to reputational risk.	1	3	3	Monthly monitoring of staffing, independent exit interviews carried out by Trust for all staff, timely recruitment processes.	Principal	Jun-17	Jul-17	Open

Pupils	Failure to recruit sufficient number of pupils in to Year 7.	Reduction in pupil led income which could lead to cash flow or long term financial problems. Potential damage to the Academys reputation.	1	3	3	Trust and Academy Marketing capacity and effective admissions processes. Monthly monitoring of pupil numbers. Work with local primary schools to ensure the Academy remains a first choice.	Principal	Jun-17	Jul-17	Open
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. Potential damage to the Academys reputation.	2	3	6	Trust and Academy Marketing capacity and effective admissions processes. Monthly monitoring of student numbers. Work with secondary schools with no post 16 offer.	Principal	Jun-17	Jul-17	Open
Pupils	Poor students outcomes.	Poor examination results could cause a reputational and financial risk. Detrimental to student futures/careers. Academy's reputation at risk.	1	3	3	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-17	Jul-17	Open
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 assessed and monitored by Principal and forwarded to Trust. Adequate budgets for building maintenance are provided. Regular site checks by facilities team and external audits.	Principal/Trust Business Manager	Apr-17	Jul-17	Open
Infrastructure	Failure to safeguard school or academy assets to theft or damage by third party	Inadequate provision for security or prevention systems or inadequate insurance causing financial risk or risk to student safety	1	2	2	Academy 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	Apr-17	Jul-17	Open
Reputation	High profile event in one school affects Trust overall	Risk to reputation nationally and locally to the school and the trust, depending on scale of the event.	1	3	3	Academy has a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	Principal/CEO	Apr-17	Jul-17	Open

South Bank Academies Risk Register - UTC



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	Jul-17	Open
Compliance	Serious breach of health & safety regulation or disability legislation occurs	Risk of litigation and Reputational risk.	2	3	6	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	Jun-17	Jul-17	Open
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 on induction. All students and staff complete e-safety training and firewalls are in place to secure all ICT networks.	Principal	Jun-17	Jul-17	Open
Finance	Changes to Funding via Government policy	Proposed changes could cause a loss in income.	2	3	6	Monitoring of Government policy, Long term forecasts monitored by LGB, Financial expertise at Operational and Trustee level.	Trust Business Manager/Principal	Jun-17	Jul-17	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. Unsatisfactory Ofsted grading leading to reputational risk.	1	3	3	Thorough recruitment programme with all relevant staff trained, comprehensive professional development, Strong Appraisal system. Recruitment of specialist staff for key positions. Probability low as key positions are currently filled.	Principal	Jun-17	Jul-17	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-17	Jul-17	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 and effective admissions processes. Monthly monitoring of pupil numbers. Benchmarking against local rival schools. Work with local secondary schools to promote engineering education and careers.	Principal	Jun-17	Jul-17	Open
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.	1	3	3	Trust and UTC Marketing capacity and effective admissions processes. Monthly monitoring of pupil numbers. Work with local secondary school with no post 16 offer.	Principal	Jun-17	Jul-17	
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-17	Jul-17	Open
Infrastructure	Land and Buildings are fit for purpose.	New Building: Opening in Sept 2017, delays could affect reputation and finance. Current Building: Damage to property due to poor maintenance could cause disruption to business continuity and cause damage to pupils learning and Trust reputation	3	3	9	New Building: Opening Sept 2017, currently running behind schedule and plans to be put in place to mitigate any delays. Current Building: Maintenance programme in place assessed and monitored by Principal and forwarded to Trust. Adequate budgets for building maintenance are provided. Regular site checks by facilities team and external audits.	Principal/Trust Business Manager	Apr-17	May-17	Open
Infrastructure	Failure to safeguard school or academy assets to theft or damage by third party	Inadequate provision for security or prevention systems or inadequate insurance causing financial risk or risk to student safety	2	3	6	UTC will have adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment are monitored and audited regularly. Adequate insurance is provided. Current temporary building means probability higher than normal.	Principal	Apr-17	May-17	Open
Reputation	High profile event in one school affects Trust overall	Risk to reputation nationally and locally to the UTC and the Trust depending on scale of the event.	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	Apr-17	May-17	Open

Risk Calculation	Probability		
	1 low	2 medium	3 high
1 low	1	2	3
2 medium	2	4	6
3 high	3	6	9
Key - Areas			
Compliance			
Safeguarding			
Finance			
Staffing			
Pupil Levels			
Infrastructure			
Reputation			

	CONFIDENTIAL
Paper title:	Risk Management Assurance Report
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	6 th July 2017
Sponsor:	CEO
Author:	Dan Smith
Purpose:	To note

Executive Summary

This report is intended to provide assurance to the Audit Committee of the South Bank Academies on the management and mitigation of the key risks identified in the Risk Register.

Governance

The governance at the Trust and school levels is now fully established and the school senior leadership is challenged and supported to enhance student achievement and welfare.

Safeguarding

Staff in the schools undertakes extended safeguarding training with specialist staff members, who are qualified to support students. Governors also attend safeguarding training. External reviews of the schools (external consultants, DfE and Ofsted) confirmed that safeguarding at both schools is effective.

Finance

There is a robust finance management system in place. Monthly management accounts are monitored by the CEO, CfO and the Principals. The Finance and General Purposes committees of the schools review the management reports once a term. These are also monitored by the Audit Committee of the Trust as well as the Trust Board. The Trust and the schools continue to operate within the budgets, which are reforecast each term.

Staffing

Staff recruitment presents a challenge, particularly in STEM subjects. We use our networks alongside the traditional recruitment approaches through electronic and print media advertisements. Both the UTC and Academy successfully recruited a large number of new staff as both schools continue to grow as new year groups join our schools.

Pupils

Pupil recruitment into year 7 remains strong at the Academy while post 16 student numbers are low due to narrow curriculum offer. Once the first intake of students progress through to Key Stage 4, post 16 numbers at the Academy will grow significantly via the internal pipeline. Year 10 student numbers at the UTC continue to present a challenge. We have worked with the local authorities to write to all current year 9 students in Lambeth. We also purchased the addresses of parents with year 9 students in catchment boroughs and wrote to them directly. Application numbers for both year 10 and year 12 are positive and the

UTC staff are continuing to work with the applicants to convert applications to enrolments.

Infrastructure

We are continuing to invest in enhancing the learning environment at the Academy to ensure that the Academy remains the school of choice. The current learning environment at the UTC is unsatisfactory as it is housed in temporary accommodation. This will be significantly improved when the UTC moves into the permanent accommodation in September. We are working with DfE and ESFA to ensure the handover of the new building on the agreed date.

Rao Bhamidimarri
9th June 2017