

Meeting of the South Bank Academies Audit Committee

3.00 pm on Monday, 30 April 2018
at South Bank Engineering UTC
56 Brixton Hill SW2 1QS

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
	Items to discuss		
5.	Safeguarding update	9 - 22	NL
6.	External audit management actions update	23 - 32	NF
7.	Update on accounting records / management accounts	33 - 38	NF
8.	Appointment of external auditor	Verbal Report	RF
9.	PwC internal audit update	39 - 40	NF
	Items to note		
10.	Risk registers	41 - 48	NL
11.	Anti-fraud, bribery and corruption report	49 - 50	NL
12.	Speak up report	51 - 52	MB
13.	Any other business		

Date of next meeting
4.00 pm on Thursday, 21 June 2018

Members: Richard Flatman (Chair) and Tony Giddings

Apologies: Adam Crossley

In attendance: Nicole Louis, Michael Broadway, Joe Kelly, Natalie Ferer, Kam Bains and Dan Cundy (item 5)

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**Minutes of the meeting of the South Bank Academies Audit Committee
held at 4.00 pm on Tuesday, 6 March 2018
1B16 - Technopark, SE1 6LN**

Present

Richard Flatman (Chair)
Adam Crossley
Tony Giddings

In attendance

Rao Bhamidimarri
Michael Broadway
Joe Kelly
Natalie Ferer

1. Welcome and apologies

The Chair welcomed members and the LSBU Financial Controller to the meeting.

The committee noted that the Business Manager left the company on Friday 2 March 2018. Recruitment for a new Business Manager has begun. The LSBU Financial Controller and finance team now have greater involvement and oversight of the company's finance.

2. Declarations of interest

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

3. Minutes of previous meeting

The committee approved the minutes of the meetings held on:

- 6 July 2017
- 12 January 2018

4. Matters arising

The committee noted the actions of the meeting held on 6 July 2017.

The committee noted the actions of the meeting held on 12 January 2018. Item 5: the committee requested that the ESFA land valuation is scheduled as early as possible so that a valuation is available for the year end accounts process in November 2018.

5. External audit report - actions update

The committee discussed the external audit actions update.

The CEO reported a meeting with the Chair of the Board and the Regional Schools Commissioner, with representatives attending from ESFA and DfE. The DfE has commissioned a governance review of the MAT and the UTC.

The committee confirmed that as the ongoing adjustments to financial records were not material, the company accounts approved and signed in January 2018, would not be revised and would be filed at Companies House in due course.

The LSBU Financial Controller confirmed that accurate management accounts should be available for the Board on 22 March 2018.

The CEO reported that a fixed assets register was being created for the UTC and that the Academy fixed assets register was currently being completed.

The CEO reported that finance training was now in place for school administrators. This had proved successful at the UTC but additional support was required at the Academy. A further assessment would be undertaken by LSBU's Financial Controller and appropriate action taken, as necessary.

The committee agreed to hold an additional meeting in April 2018 when progress on each action from the external audit report will be examined in detail. The committee requested that the actions be RAG-rated.

6. Internal audit update and plan

The committee discussed the internal audit update and plan.

The committee approved the internal audit process table subject to the addition of monthly bank reconciliations.

The Chair confirmed that support from the LSBU finance team will remain in place for the foreseeable future.

The committee noted that discussions had taken place with PwC (LSBU's internal auditors) with regard to providing internal audit services to SBA. The committee agreed to the introduction of an independent internal audit function that would meet the DfE's requirement for independent assurance on internal controls. The committee requested that a full proposal, with details of scope, timeline and cost, be presented to the next meeting.

The committee noted that recent changes to DfE guidance no longer required a Responsible Officer and that an independent internal audit function would provide the necessary assurance.

7. Finance system action plan update

The committee discussed the finance system action plan update.

The LSBU Financial Controller confirmed that process issues, and adjustments relating to funding income and payroll were now resolved.

The committee discussed the re-appointment of Kingston Smith as the external auditors. The committee noted that although there were matters requiring improvement in auditor performance, these could be discussed with the auditor prior to any decision to re-appoint. The committee requested the Chair, LSBU Financial Controller, and the CEO to meet with Anjali Kothari (Kingston Smith LLP) to discuss how concerns could be addressed. The committee agreed to make a decision on re-appointment at its meeting in April 2018.

The committee agreed to provide updated information on finance adjustments to the auditors, as required, after its meeting in April 2018.

8. Financial controls policy update

The committee discussed the financial controls policy update.

The committee noted the policy was still in development. The committee requested that the expenditure authorisation table be updated and circulated to the committee in advance of the next meeting.

Tony Giddings left the meeting.

9. Safeguarding report

The committee discussed the Safeguarding report.

The committee requested that a CEO summary be provided with this report in future.

The committee expressed its significant concerns at the DfE's Safeguarding report on the UTC. The CEO confirmed that all the actions identified in the report have now been satisfactorily addressed and that this would be further confirmed in writing in the CEO report to the Board at its meeting on 22 March 2018. The CEO confirmed that he now held a monthly meeting with the UTC Principal at which safeguarding was a standing item.

The CEO has commissioned a mock Ofsted review in April 2018. Due to the importance of the issue, the committee requested that the Principal and Vice-Principal of the UTC attend the next meeting of the Audit Committee in April 2018 to report on safeguarding.

The committee agreed to hold its meeting in April 2018 at the UTC.

10. Risk registers

The committee noted the MAT and schools' risk registers.

11. **Anti-fraud, bribery and corruption report**

The committee noted the anti-fraud, bribery and corruption report.

12. **Speak up report**

The committee noted the speak up report.

13. **Any other business**

The committee noted that the DfE had commissioned a governance review of the MAT and UTC.

The committee requested a summary of all student data returns made to official bodies, to include; timeline, criteria, controls, e.g. how management audit and checks are carried out.

Date of next meeting
April 2018 - tbc

Confirmed as a true record

..... (Chair)

**SOUTH BANK ACADEMIES AUDIT COMMITTEE - TUESDAY, 6 MARCH 2018
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
4.	Matters arising	Ensure early date for ESFA land valuation		Rao Bhamidimarri	In progress
5.	External audit report - actions update	Inform auditors that no adjustments would be made to accounts prior to submission to Companies House To confirm status of fixed asset registers at next meeting Confirm capabilities of school administrators to next meeting Schedule additional meeting for SBA Audit		Rao Bhamidimarri Rao Bhamidimarri Natalie Ferer Joe Kelly	Accounts filed at Companies House To do On agenda Completed
6.	Internal audit update and plan	PwC internal audit proposal to next meeting Re internal audit update and plan - add monthly bank recommendations		Natalie Ferer, Richard Flatman Natalie Ferer	On agenda On agenda
8.	Financial controls policy update	SBA expenditure authorisations table to be updated and circulated to committee in advance of next meeting.		Natalie Ferer	Completed

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
9.	Safeguarding report	CEO report to SBA Board to include report on safeguarding at UTC confirming all actions required from the January report have been completed. Extend invitation to UTC principal and vice-principal to attend SBA Audit Committee meeting in April (date tbc)		Rao Bhamidimarri Sarah Kuria, Rao Bhamidimarri	Completed Completed
13.	AOB	Summary of all student data returns made to official bodies, to include; timeline, criteria, controls, e.g. how management audit and checks are carried out		Rao Bhamidimarri	In progress

	CONFIDENTIAL
Paper title:	Safeguarding update
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	30 April 2018
Author:	Nicole Louis
Purpose:	Information
Recommendation:	The Board is requested to note the report.

Executive Summary

At its meeting of 6 March 2018 the Committee discussed Safeguarding audit reports conducted at the UTC in January and February 2018 (see attached). Further to this, the Committee has invited the UTC Principal and Vice Principal to attend this meeting to discuss the status and progress of Safeguarding within the school.

Safeguarding data in MAT Schools

UTC

Number and categories of Safeguarding cases you are currently dealing with

4 students at Level 1 (universal services or supported by the school)

0 students at Level 2 (recently referred to EarlyHelp (LA) or being monitored and supported closely by the school)

1 student at Level 3 (Child In Need Plan)

1 student at Level 4 (Child Protection Plan).

Number of cases and categories referred to LA teams

0 referrals to MASH (Multi Agency Safeguarding Hub – most severe cases) and 0 to EarlyHelp services (least severe).

Number of students with Statements and Care Plans

4 on EHCP

UAE

Number and categories of Safeguarding cases you are currently dealing with

12 students at Level 1 (universal services or supported by the school);

12 students at Level 2 (recently referred to Early Help (LA) or being monitored and supported closely by the school);

7 students at Level 3 (are on a Child In Need Plan) and 4 at Level 4 (are on a Child Protection Plan).

Number of cases and categories referred to LA teams

Since September 2017 we have referred 10 times to MASH (Multi Agency Safeguarding Hub – most severe cases) and 18 to Early Help services (least severe).

Number of students with Statements and Care Plans

2 are still on the old 'statements', 5 on EHCP.

In addition to this 1 EHCP is about to be agreed and three are in the process of applying. 4 students are joining Y7 in September that have an EHCP.

This section of the report should be removed before sharing the report with the academy, sponsor or trust; confidential, internal only information should be included here but could, potentially, be subject to an FOI request.

Academy name	South Bank Engineering UTC
Academy address	56 Brixton Hill, Brixton, London SW2 1QS
Sponsor/ MAT	South Bank Academies
Open date	1.9.2016
Date of visit	22.1.18
Adviser	Jayne Lowe
CoG	Rao Bhamidmarri
Principal	Dan Cundy

Key issues for RSC and HTB to be made aware
See individual sections

Page 11

Key actions for follow-up:
See individual sections

RAG rating following visit

This report is the department's confidential information and is being shared on the explicit understanding that it may not be released publicly, or any of its contents quoted or paraphrased in any external communications made by the school, including to parents. It is only to be used by the school's senior leadership team, board of governors and the Trust to help inform improvement strategies.

Academy name	South Bank UTC
Academy address	56 Brixton Hill, Brixton, London SW2 1QS
Sponsor/ MAT	South Bank Academies
Open date	1.9.2016
Date of visit	22.1.18
Adviser	Jayne Lowe
CoG & email	Rao Bhamidmarri
Principal & email	Dan Cundy

Purpose of visit		
See context.		
Key issues	Notes on actions	By whom/when
<p>Concerns, Referrals and Record Keeping</p> <p>Concerns and referrals are managed by the DSL and Pastoral Leads for KS4 and KS5. Records are kept in the secure notes area of SchoolBase and some students also have paper files. Paper files are used to keep minutes from case conferences, meetings and communications from social care.</p> <p>The record keeping system does not provide a cohesive overview of safeguarding concerns and actions the school have taken to keep children safe. The team are potentially looking to develop electronic records and have been speaking with CPOMS to develop a module that synchronises with SchoolBase.</p> <p>There is no overview of the vulnerable cohort as there is no register or list of vulnerable children. The DSL and Pastoral Leads were not aware of those children subject to Child Protection (CP) plans.</p> <p>The team have not made any multiagency referrals since the UTC opened.</p> <p>There are issues with file transfer; one of the cases reviewed during the visit who arrived subject to a CP plan did not have a safeguarding file when they joined the school.</p>		

Actions:

- Overhaul safeguarding records to ensure they are compliant and robust by;
 - Developing a vulnerable students register to ensure that all children who are at risk are known to and monitored by staff
 - Ensuring that all safeguarding concerns/information is recorded on SchoolBase
 - Analysing all of the concerns raised and ensure that appropriate actions and referrals have been made (in line with local procedures) to ensure students are safe (Immediately)
- Ensure that all staff understand what constitutes a concern and how to report concerns (Immediately)
- Ensure that leaders and delivery staff understand what needs to be recorded and moderate use of SchoolBase (Immediately)

Training and Induction

The DSL holds records of all safeguarding training undertaken by staff.

All staff have undertaken Level 1 safeguarding training that was delivered by Lambeth LA. Staff have also undertaken a series of online training modules including CSE, FGM, Prevent and FM. The DSL has scheduled a series of briefing sessions and access to a range of training modules for the current term; these include faith abuse, domestic abuse and substance misuse.

Staff have also received part 1 of Keeping Children Safe in Education (KCSIE 2016) and have signed to say they have read and understood it. The KCSIE Part 1 register is also held by the DSL.

Governors do not appear to have undertaken any safeguarding training.

Actions:

- Review the safeguarding training plan once the vulnerable student register is developed to ensure student cohort data and local context informs the training plan (Immediately)
-
- Brief staff on what constitutes a concern to strengthen

CP files kept in a separate drawer to other safeguarding files - done
Register of all students to be prepared – done and emailed to JLO
New version attached
Secure notes on MIS to be reviewed – reports pulled off MIS by KBA.
All reviewed and checked 29-1
Log of concerns to be kept - ongoing
Analysis of concerns to implemented – w/b 29--1

All staff attended Level 1 Safeguarding training on September 6th 2017. Issue guidelines on concerns to staff – KBA 29-1 can I see a copy of what went to staff?
Set up a new safeguarding email – KBA 26-1 done with common reporting form. CPOMS to be introduced ASAP
Guidelines on information to be recorded – done KBA 25-1 to be reviewed by SLT again and record sent

KBA 25-1
KBA 25-1
KBA 25-1
KBA 25-1
KBA w/b 29-1

KBA 29-1
KBA asap

KBA 25-1

KBA 26-1

reporting (Immediately)

- Ensure governors undertake relevant safeguarding training including Prevent (Immediately)

Prevent

The DSL is also the Single Point of Contact (SPOC). He is aware of whom to contact with referrals and concerns. There is a Preventing Extremism Policy in place that was reviewed last academic year. No referrals have been made to Channel and no extremism/radicalisation concerns have been raised by staff. All staff have undertaken Prevent training. The team have not undertaken a Prevent risk assessment.

'Game On' have been with year 10, 11 and 12 on preventing extremism and the PSHE delivery team have also delivered interactive sessions with students.

Actions:

- Undertake a Prevent risk assessment and implement appropriate measures to reduce risks (February 2018)

SR and HR Files

The SCR is managed by the HR and Communications Manager. She has been involved in recruitment and the development of the SCR since the school opened.

She adopted an SCR template from Southwark. The SCR has several tabs for employees, contractors, governors, central staff, volunteers and leavers. Appropriate checks are undertaken for staff and others with the exception of Section 128 checks.

Contractors visiting the UTC are vetted by their employers; their DBS checks and identification are then validated by the UTC before they can gain access.

HR files are well ordered. In the four files audited all appropriate checks, ID, qualifications and references were evident. Some of the files also contain selection documents evidencing safer recruitment processes. Selection and recruitment paperwork is generally held in a central file that is separate to the HR files.

Actions:

Plan for 2018 to be reviewed – in process. More training perhaps on mental health and domestic violence. Let's not say perhaps lets focus on data from children

Issue guidelines on concerns to staff – CPD Mon 29-1

Check governors training – DCU to check via Alex Enibe, Monthly meetings with safeguarding governor (RBH) and DCU. 05-17 for Prevent Training

Risk Assessment completed and sent

KBA 29-1

DCU 26-1

KBA

- Undertake Section 128 checks for all staff in leadership and management positions and for all governors (Immediately)

Children not in School

The Director of Engineering leads on attendance with assistance from Pastoral Leads for KS4 and KS5 and a team of coaches.

Last year attendance was around 95-96%, attendance for the autumn term 2017 was 88%.

Office staff manage first day calling procedures and daily register checks. Staff are alerted to complete and correct registers as required. First day calls and emails are sent on day one of absence. If the child is absent for a second day the case is escalated to Pastoral Leads.

Pastoral Leads pursue absence from day two and are able to authorise a series of warning letters when student's attendance falls to 96%, 94%, 92% and 90%. Pastoral Leads are also authorised to make referrals to Lambeth for those whose attendance falls below 90%. Whilst there is, a significant number of students who have attendance below 90% no referrals have been made. Student absence is not routinely tracked over time so the impact of interventions is not known.

Pastoral staff do not undertake home visits to check on welfare of students or to pursue absence.

Attendance and safeguarding procedures are not closely aligned. The team are not clear about LA CME or who to contact, nor are they clear about how to undertake reasonable enquiries to locate children who could be missing. More recently, attendance data has been shared with coaches and students on a weekly basis in order to enforce sanctions for lateness and to reiterate expectations to students.

Actions:

- Review escalation procedures to ensure that swift action is taken when attendance concerns arise and that parents and LA are engaged (Immediately)
- Review roles and responsibilities for attendance to ensure these are closely aligned to safeguarding responsibilities

JCO to conduct S128 checks 26-1 confirm when this has been done Completed 31-1

JCO

DCU and DBE: Attendance system to be implemented w/b 29-1 please can you send attendance policy/procedure so we know what the approach is and who is doing what
 Attendance data to be cleansed and updated – FBR ongoing by 26-1 what does cleansed mean- what have you found? PM marks for personal study for KS5.
 Ensure contact with parents and LA – DCU and DBE to roll out system – pastoral managers/attendance officer to administer.

DCU/DBE
FBR
DCU/DBE
DCU/DBE

(Immediately)

- Evaluate the impact of absence intervention on a regular cycle to inform future practice (February 2018)

Risk Assessment and Educational Visits

The DSL is the Educational Visits Co-ordinator (EVC) and leads on risk assessment of the UTC site and equipment. Extensive on-site assessment of the site, workshops and laboratories was undertaken prior to opening to establish robust working practices to minimise risk. Staff have undertaken extensive accredited training to ensure they are certified to utilise all engineering equipment.

An on-site technician looks after ongoing maintenance to minimise risks as and when defects arise.

The educational visits policy outlines roles and responsibilities of leaders and governors and makes clear procedures for organising a trip.

Trip proposals are completed by the member of staff leading the trip and are then submitted to the EVC. The EVC then checks the proposal before authorising the trip. Two risk assessments for visit were reviewed, these included students details, transport arrangements, permission letters and risk assessment of all activities.

Looked After Children (LAC)

The DSL is the Designated Teacher for LAC and has undertaken online training around these responsibilities. There are currently no LAC at the UTC.

Actions:

- Make contact with the Virtual Headteacher to establish a working relationship (February 2018)
- Ensure that staff are alert to private fostering arrangements and that these are reported to social care (Immediately)

e-safety

The DSL leads on e-safety. Web filtering is deployed by external IT consultants. There is an onsite technician who responds to day-to-day maintenance. There is no monitoring of software or systems to oversee activity.

DCU and DBE organisational flow chart. –Attendance Policy Updated to reflect this.

Home visits for students missing in education what does this mean- what's the procedure? Outlined in updated policy
Cross check risk register and attendance data DSL via pastoral managers.

(Classroom management training for staff – CPD need)

½ termly analysis by group – FBR led by DCU; of PA students and impact – Pastoral managers led by DBE what interventions will be put into place? This is now in place

DBE

KBA attempted contact 25-1, to be repeated. KBA in contact with Virtual School.

KBA to audit student roll 26-1. KBA has drafted protocol on private fostering arrangements. To be added to policy 1-2.
Coaching staff and pastoral managers to be informed by KBA

KBA

KBA

by

Students use their devices in and around the UTC after issuing staff with their MAC address. All students sign up to an acceptable use policy during induction. All students and staff are assigned UTC email addresses that they use for all communications. All year groups have received input on online safety and sexting delivered by the in-house team or the police. Students spoke positively about input from UTC staff and the police.

Medical Needs and First Aid

The medical room is opposite the pastoral office. Pastoral Leads oversee medical needs and administer medication as needed.

Medical needs information is requested at the point of admission but updates do not appear to be requested. Medical information is held on the UTC MIS System.

Both emergency and non-emergency medications are stored securely in a locked cabinet within a locked room, keys to this room are held by Pastoral Leads. A list of students with medical needs is also stored in the secure drawer. In some cases, conditions and medications are identified on the list. Medications are stored in labelled zip-lock bags. There are medications for students who are not on the medical needs list and therefore not logged in the MIS System. Some zip-lock bags contain asthma plans or letters from clinicians but many do not. Some medications do not have boxes with prescription labels or dosage instructions. One bag contained a prescription from 2015 and another bag contained an Epi-pen that goes out of date next month. There are no routine checks of expiry dates.

Pastoral Leads generally issue medication; some details of administration are recorded in a book. The date, time, name of child, dosage and name of medication are recorded in the majority of cases but not all.

The DSL is the only trained first aider; several other staff are due to be trained in February.

Actions:

- Review all medical needs information held on school system with students and parents and then establish a regular cycle of review (Immediately)

Medical needs published in staff room to be checked from report (Schoolbase). Communication to staff has occurred and staff room update posted 29-1.Update for Feb 2018 produced

KBA

- Work in partnership with the school nurse to develop care plans for those students who require them and establish a regular review cycle for plans (Immediately)
- Ensure that emergency medication is easily accessible and as close to students as it can be (Immediately)
- Audit all medications held onsite and organise for the collection, disposal and replenish of medications as appropriate (Immediately)
- Establish a regular audit routine for all medications held on site (Immediately)
- Refine systems for recording the administration of medications to ensure that records are accurate and that gaps for students taking daily medications can be identified easily (Immediately)
- Deliver training for staff on asthma and allergies/Epi-pen use to raise awareness of conditions and treatment of them (Immediately)

Designated Person(s)

The Vice Principal undertakes the DSL role. He is supported by Pastoral Leads for KS4 and KS5. The DSL has undertaken Level 3 training; Pastoral Leads are due to undertake Level 3 training in the summer.

The DSL and Pastoral Leads meet weekly to review safeguarding concerns and cases held on SchoolBase.

A new safeguarding governor has been involved in one short meeting with the DSL to find out about practice at the UTC.

Actions:

- Clarify roles of the pastoral leads and the DSL to ensure that;
 - All roles and responsibilities outlined in KCSIE 2016 pages 59-61 are understood and undertaken
 - The DSL and Pastoral Leads arrive at well-informed decisions about referrals and actions
 - The work of the DSL and Pastoral Leads are regularly audited and checked (Immediately)

Termly review to be implemented through communication with families – annual plan. KBA w/b 29-1
 Nurse to assist in preparing plans by when? – SWA and nurse, for students with medication. Met with nurse on 8-2 to complete. All referrals made. Awaiting plans from nurse
 Plan review protocols to be established by KBA to be managed by pastoral managers.
 Emergency Medications moved to school office – students and staff to be informed 26-1 by KBA
 Audit completed 25-1 KBA. Medication list published, collection organised and communications home re packaging issued.
 Collection organised. Have all of these actions happened?
 All have been actioned
 Termly audit to be implemented: KBA to manage.

New system for logging medication issue in place using proforma – in place 25-1 KBA can I see a copy? Attached

Nurse led Epi-pen and asthma training to staff with general first aid on 1st September INSET. Online training available to new staff. Two qualified first aiders.

Pastoral managers undertook Level 2/3 DSL training in Feb 2018. Advanced Safeguarding Children, Designated Safeguarding Officer Provided by highspeedtraining
 Pastoral managers and SLT to re-read all of KCSIE (focus p59-61) – DCU and KBA yes 25-1 DBE, SWA 29-1 and add to job descriptions where appropriate-
 Link to previous actions on referrals – KBA completed 31-1

KBA

SWA/KBA

KBA

KBA

KBA

KBA

KBA

KBA

DCU and KBA

KBA

Policies

The safeguarding policy was reviewed and ratified by governors last academic year. The policy on the website does not appear to be the most up to date version. There are several references to out of date guidance in the policy published online.

Policies for whistle blowing and complaints have been shared with staff and are held in a shared area electronically. Stages and points of contact are made clear in both documents. The DSL intends to update staff on policies that have been recently reviewed to prompt them to revisit these documents.

Actions:

- Review website to ensure that updated policies are published online (Immediately)
- Strengthen staff understanding of policies relating to safeguarding by signing or confirming that they have read updates and by undertaking checks of understanding through periodic questioning of staff (February 2018)

Risk register created and all students reviewed

Item on SLT agenda and LM agenda for DCU and KBA; also in weekly safeguarding meetings.

Half termly report to be produced by DSL to be reviewed by governors

Governance standing item on safeguarding; regular intervention and scrutiny from safeguarding governor. DCU discussed and agreed with RBH 26-1. Monthly meeting between DCU and RBH

Policy to be uploaded onto website – DCU 25-1 done

Staff have been sent KCSIE part 1 and signed for this.

All staff have re-issued safeguarding policy 26-1 and signed as read 29-1.

CPD sessions and case study based work – on the CPD training plan KBA,

Session on County Lines took place on 29-1 led by Met Police

DCU and KBA

DCU and KBA

DCU

DCU

KBA

Evidence and sources

Discussions with;
DSL
Pastoral Leads
Director of Engineering/Attendance Lead
HR and Communications Manager
Students
Scrutiny of;
Policy documents
SCR and HR Files
Electronic and paper safeguarding records
Medications and medical records

Safeguarding Audit

Conducted by SSJandhu from Lambeth Council on 8th February.

Area	Action	When/Whom
SCR Very comprehensive Questions around supply teachers and teaching assistants	<ul style="list-style-type: none"> • S128 column to add • 3 year check date to add • Applications forms to be signed not just electronic names. • Stickers on FBR and CBR folders needed 	JCO immediately
Governors	Have they signed a suitability clause	DCU to check
Training	EVC training to be organised DSL courses (refresher for KBA) SWA and DRU CSE training	LSCB to send through dates when published in April KBA to book courses.
Policies Lambeth Model Safeguarding policy Searching & Screening policy Jan 2018 update DfE Whistleblowing policy to include DfE guidance DfE guidance on pupils with medical needs	Model policy to be sent to school Review and update SS policy Update Whistleblowing policy KBA 8-2 Review medical needs guidance from DfE and update current policies	LSCB to send model policy KBA KBA
Online issues	Evidence of E–safety lessons, online-bullying and sexting. How knowledgeable are students.	KBA to evidence Feb week 4
Safeguarding for students	Collate evidence of lessons, student feedback and actions.	KBA – Feb week 4

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	CONFIDENTIAL
Paper title:	External audit report – management actions update
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	30 April 2018
Author:	Natalie Ferer, University Financial Controller
Purpose:	For review by the Committee
Recommendation:	The meeting is requested to review and note progress with implementing recommendations made following the audit of the Trust accounts by Kingston Smith

Background

Kingston Smith completed the audit of the accounts of South Bank Academies for the year ending 31st August 2017. The auditors encountered significant difficulties during the course of the audit and 18 audit recommendations were made, 9 of which were rated as high risk. The purpose of this paper is to update the audit committee on progress with implementing these recommendations.

Summary

Most of the recommendations relate to improving financial procedures and strengthening financial control and significant progress has been made. Implementation is being monitored closely by the University Financial Controller with help from the University's Financial Accounting team and the Interim Trust Accountant.

The attached action tracker lists progress against individual actions and a summary of open actions is shown below. Of the 9 actions are still open, 4 are due before the end of April with the remaining 5 being due over the year-end.

Item	Action due	Details of open recommendations
Land and Buildings	Oct 18	To provide a professional valuation for the UAE lease. Southwark Council provide this service from September each year.
Unidentified provisions Accruals based reporting	Oct 18	At year end accruals will be clearly documented
Fixed asset register	Apr 18	Records of equipment purchased is being checked against accounting records to put in

		place a register of assets and equipment that reconciles to the accounts
Management information	Apr 18	Accounting records will be up to date by the end of April after which monthly management accounts will be produced within two weeks of the month end
Supplier transactions	Apr 18	Key supplier statements are still being obtained and reconciled to the purchase ledger. it is planned that this exercise will be completed by the end of May and therein will be reconciled at least quarterly
Accounting system	Feb 18	Further training will take place with new and existing staff. Roles and responsibilities are shown on the monthly check list and will be formally approved as part of the Financial Controls Policy.
Agency staff	Jun 18	The 2018/19 budget will include detail of costs expected to be covered by agency staff
LGPS pensions	Sept 18	At year end contributions per FRS102 report will be agreed to accounting records

Recommendation

The Committee is asked to note the report.

South Bank Multi Academy Trust

Reference	Finding Number & Description	Priority	Responsible Person	Target Date	Committee Date	Recommendation Status	Agreed Actions	Action date	Action by	Action description	Action detail
JB/04a8/22118	<p>7: Land and Buildings</p> <p>As at 8 January 2018 a 125-year lease for the land and buildings of UAE was made available to us as the external auditors. Being dated August 2016, this represents a material prior year adjustment to recognise the long leasehold property controlled by the Trust, and this information should have been made available to us during the prior year.</p> <p>Implication: The current draft accounts are materially incorrect and are pending an assessed valuation of the land and buildings gifted to the Trust in the prior year.</p>	High	Natalie Ferer	31/10/2018	30/4/2018	open	<p>Recommendation: The Trust has a responsibility to ensure that there is no relevant audit information of which the external auditor is unaware.</p> <p>Agreed Management Action: We had already disclosed information regarding the lease to the auditors. We will obtain a professional valuation.</p>	19/2/2018	Natalie Ferer	Target date changed to: 31/10/2018	Target date changed to: 31/10/2018 Original target date: 30/04/2018
								19/2/2018	Natalie Ferer	Discussion with Kingston Smith	Anjali at Kingston Smith advised that it was not necessary to pay to engage a surveyor to value the school land and buildings, but rather wait for DFE to update their valuations. This takes place in the Autumn each year and should be available by the time the 2017/18 accounts are finalised
JB/14a5/22118	<p>2: Cash management</p> <p>Bank reconciliations were not performed during the year. This has resulted in material adjustments being required as prompted by auditors. As this work is being done long after the date of transactions, there is increased risk of misstatement and does not reflect timely bookkeeping or management.</p> <p>Implication: Conducting regular bank reconciliations is regarded as a basic financial management tool. In the absence of this basic check, the Trust is unable to prove that the accounts and the financial information is correct.</p>	High	Natalie Ferer	15/2/2018	31/1/2018	closed	<p>Recommendation: It is recommended that formal bank reconciliations are performed on a regular basis - once a month - and the bank balance as per PS Financials is reconciled to the bank balance as per the bank statements. Any issues identified should be investigated and resolved on a timely basis.</p> <p>Agreed Management Action: Bank accounts will be reconciled at least monthly and reconciling items investigated. The reconciliation will be independently reviewed by a member of the University Finance team.</p>	31/1/2018	Natalie Ferer	Target date changed to: 15/02/2018	Target date changed to: 15/02/2018 Original target date: 31/01/2018
								31/1/2018	Natalie Ferer	Bank reconciliations	Bank reconciliations have been prepared for the Academy but not yet for the UTC or Trust bank accounts. It is planned that these will be prepared in the first week of February and reviewed by a member of the Financial Control team
								6/2/2018	Natalie Ferer	Bank Reconciliations for September	A member of the University Finance team are now preparing reconciliations for September
								19/2/2018	Natalie Ferer	Closed the Recommendation	monthly bank recs are now being reviewed by the University Financial Accountant
JB/14bf/22118	<p>8: Unidentified provisions</p> <p>Upon querying the accruals balance, there is an unsupported general provision for energy costs of £111,000, and unidentified accruals of £42,325. Total energy costs recognised within expenditure for the year however only amounts to £58k.</p> <p>Implication: This indicates a lack of clarity and control over the expenditure recognised within the trust's financial statements.</p>	High	Natalie Ferer	28/9/2018	28/9/2018	open	<p>Recommendation: We recommend that proper controls are put in place around supplier invoices which would allow clear monitoring of transactions.</p> <p>Agreed Management Action: Payments to suppliers will only be made against invoices that have been entered on the accounting system. Outstanding and debit balances will be investigated and resolved monthly and statements will be obtained from key suppliers and reconciled at least every 3 months. (Recommendation 6). At year end the reasons for accruals will be clearly documented.</p>	6/2/2018	Natalie Ferer	Supplier payments	Supplier payments on Lloyds now must be linked to a report from PSF to evidence that invoices being paid are supported by an authorized invoice on the system

JB/2480/22118	<p>18: Central recharges</p> <p>Where internal bank transfers are made, there is not always supporting documentation available.</p> <p>Implication: If inter academy transactions are not being consistently monitored and recorded, then the risk of entity level reporting being inaccurate is increased.</p>	Low	Natalie Ferer	31/5/2018	28/2/2018	closed	<p>Recommendation: Where a financial transaction is to be processed there should be sufficient and appropriate evidence and documentation to support this. Where there are internal recharges required to be posted via journal, it is recommended that a schedule is maintained as to the basis of the recharge as well as who it has been approved by and when the posting has been made.</p> <p>Agreed Management Action: Supporting documentation will be checked before any accounting entries are made, including receipts, payments and journals. The completion of regular internal recharges will be included on the monthly check list (recommendation 1) and bank reconciliations completed and reviewed monthly (recommendation 2). Inter-company balances will be reconciled monthly and the Trust will consider reducing the number of bank accounts from 3 to 1 to simplify the accounting entries.</p>	4/4/2018	Natalie Ferer	<p>Intercompany transfers. Target date changed to 31/05/2018</p>	<p>As of the end of January, 'intercompany accounts were fully reconciled. It is planned that a single bank account will be used going forward, to eliminate the need for such transfers and reconciliations. This will be implemented later in the year as it may require configuration on PS Financials and a change to bank details used by funders and our payroll provider</p> <p>Target date changed to: 31/05/2018 Original target date: 28/02/2018</p>
249a/22118	<p>12: Fixed asset register</p> <p>A complete fixed asset register was not available at the time of the audit</p> <p>Implication: The figures within the trial balance in respect of fixed assets are highly material to the MAT, we were not provided with supporting documentation by way of a fixed asset register. This therefore a risk that depreciation, capital additions and capital disposals are not processed appropriately on a timely basis. The fact that this is not being done on a timely basis means that management may not remain aware of the true position of the Academy at all times.</p>	Medium	Natalie Ferer	16/5/2018	30/3/2018	open	<p>Recommendation: It is recommended that a formal fixed asset register is maintained with capital transactions and depreciation being posted on a regular basis (at least termly), when the management accounts are prepared. This will ensure that the true position of the Academy is reflected at all times.</p> <p>Agreed Management Action: The register currently details IT equipment only. A full fixed asset register is being prepared. Fixed asset transactions and depreciation will be posted to the ledger monthly and reconciled to the fixed asset register.</p>	4/4/2018	Natalie Ferer	<p>Fixed asset register. Target date changed to 16/05/2018</p>	<p>This has been delayed while accounting records are being brought up to date. Towards the end of April the Interim finance team will work on this task</p> <p>Target date changed to: 16/05/2018 Original target date: 30/03/2018</p>

JB/24b3/22118	<p>16: Expenditure vs budgets</p> <p>The budget for the year (as approved by Governors) had not been uploaded onto the PS Financials system. Therefore, the current financial position cannot be properly monitored or managed as compared to the budgets set.</p> <p>Implication: Expenditure cannot be monitored against the budget without accurate reporting and there is therefore an increased risk of the Trust not adhering to the approved budget which increases the risk of excess spending.</p>	Low	Natalie Ferer	28/2/2018	28/2/2018	closed	<p>Recommendation: The approved budgets are uploaded into PS Financials once finalised. It is further recommended that the budget to actuals are compared on a regular basis (perhaps termly) and any projected under / over spends can be brought to attention in a timely manner.</p> <p>Agreed Management Action: Budgets will be loaded onto PS financials. Management accounts will be circulated to Management each month (recommendation 4) with variances to budget investigated and explained in the commentary.</p>	27/3/2018	Natalie Ferer	Closed the Recommendation	management accounts produced from December and variances investigated and commented on
JB/4494/22118	<p>4: Management information</p> <p>Management accounts had been produced and circulated during the year, but it is clear from the information viewed that these did not always agree to the general ledger.</p> <p>Implication: Management have a responsibility to review regular management information and this would have identified the deficiencies in the system at an earlier point during the year.</p>	High	Natalie Ferer	30/4/2018	28/2/2018	open	<p>Recommendation: A full set of management information should be made available and reviewed at least on a termly basis.</p> <p>Agreed Management Action: Management accounts will be circulated to Management each month and a schedule of LGB, Committee and Trust board meetings will make it clear which month's management accounts go to each meeting. Management accounts will include a balance sheet and a section reconciling figure to the ledger.</p>	27/3/2018	Natalie Ferer	December Accounts	December accounts have been circulated. The accounts are now produced directly from PSF so there is no need to reconcile to the General ledger. Now accounts are being brought up to date, it is not thought necessary to circulate accounts every month. Audit Committee is meeting at the end of April to review progress.
								27/3/2018	Natalie Ferer	December Accounts	December accounts have been circulated. The accounts are now produced directly from PSF so there is no need to reconcile to the General ledger. Now accounts are being brought up to date, it is not thought necessary to circulate accounts every month. Audit Committee is meeting at the end of April to review progress.
								4/4/2018	Natalie Ferer	March Accounts. Target date changed to 30/04/2018	there is a pause in producing management accounts while staff take a holiday. It is planned that January and February accounts be produced by mid April and then up to date March accounts by the end of April
JB/44bf/22118	<p>15: Members and directors</p> <p>It was noted that the appointed members and trustee directors of the trust were not reflected accurately and on a timely basis at the get-information-schools.service.gov.uk website (previously known as Edubase) - (the DfE's register of educational establishments).</p> <p>Implication: The Trust is in breach of the Academy Handbook requirement that the Trust must notify DfE of the appointment or vacating of the positions of members, trustees and local governors within 14 days of that change through the governance section of DfE's Edubase.</p>	Medium	Michael Broadway	31/1/2018	31/1/2018	closed	<p>Recommendation: We recommend that the Trust gets the information up to date and monitors this on a regular basis.</p> <p>Agreed Management Action: We are in the process of updating the register to reflect the current position. We will update the register to show the new directors and governors.</p>	19/2/2018	Michael Broadway	Completed.	The register is now up-to-date.
								19/2/2018	Michael Broadway	Closed the Recommendation	The register is now up-to-date.

JB/54b8/22118	<p>17: Payroll records</p> <p>As a result of the testing performed, an instance was noted where we could not locate a staff leaver's supporting documentation to confirm their leave date from UAE.</p> <p>Implication: There is a risk of misappropriation of the MAT's funds here as incomplete record keeping could result in this member of staff not being removed from payroll appropriately.</p>	Low	Natalie Ferer	28/2/2018	28/2/2018	closed	<p>Recommendation: It is recommended that the process of processing starters and leavers is formalised. As well as this, there should be a checklist for starters / leavers to ensure that the appropriate steps are taken and documents are processed; for example a P45 and resignation letter.</p> <p>Agreed Management Action: A formal process for checking starters, leavers and variations will be put in place and signed off before the payroll is finalised. A formal process will be put in place for the payroll to be signed off in line with the bank mandate before the payroll bacs are sent (recommendation 5).</p>	22/3/2018	Natalie Ferer	Closed the Recommendation	A check list and authorization sheet are now in place and were used for the first time for checking and authorizing the March Payroll
JB/64b5/22118	<p>9: Related party transactions</p> <p>There is not an appropriate process in place whereby related parties and pecuniary interests of key management personnel are recorded on a timely basis</p> <p>Implication: There are specific ESFA requirements that state Academies are to keep a record of related parties and pecuniary interests of all key management personnel, trustees and budget holders. This is to ensure that all goods and services procured are done so at a reasonable rate, and to ensure that management are fully aware of related parties at all times.</p>	High	Michael Broadway	31/1/2018	31/1/2018	closed	<p>Recommendation: It is recommended that a formal register of related parties and pecuniary interests is kept centrally by the finance team. It is further recommended that this is updated when new staff are appointed, and on an annual basis. This will allow for the MAT to be aware of all related parties at all times.</p> <p>Agreed Management Action: There is a formal register of related parties maintained by the University Governance team.</p>	23/1/2018	John Baker	Closed the Recommendation	This action has already been implemented by the Governance Team.
JB/9485/22118	<p>6: Supplier transactions</p> <p>The supplier ledger within PS Financials is not being utilised, and management have confirmed that they do not have a complete listing of liabilities as at 31 August 2017, with the year end position being ascertained based on post year end payment of physical invoices located.</p> <p>Implication: Given the size of the trust, the lack of a functioning supplier ledger increases the risk of duplicate payments being made as there is no complete trail of purchase invoices and payments made.</p>	High	Natalie Ferer	31/5/2018	30/3/2018	open	<p>Recommendation: We recommend that supplier invoices and payments are properly tracked within the accounting system so that outstanding balances can be seen and historic invoices can be viewed.</p> <p>Agreed Management Action: Payments to suppliers will only be made against invoices that have been entered on the accounting system. Outstanding and debit balances will be investigated and resolved monthly and statements will be obtained from key suppliers and reconciled at least every 3 months.</p>	21/2/2018	Natalie Ferer	Supplier payments	Supplier payments are now only made once posted to PSF and bank batches must be supported by a payments listing before authorization
								4/4/2018	Natalie Ferer	supplier accounts. Target date changed to: 11/04/2018	We are in the process of reconciling supplier accounts and obtaining statements from suppliers Target date changed to: 11/04/2018 Original target date: 30/03/2018
								24/4/2018	Natalie Ferer	Target date changed to: 31/05/2018	Target date changed to: 31/05/2018 Original target date: 11/04/2018

JB/9495/22118	<p>3: Accounting system</p> <p>Through discussion with management, and review of the financial data presented for audit, it is apparent that those in charge of the finance function are not fully conversant in PS Financials and inadequate training was provided.</p> <p>Implication: For example, we note that some expenditure invoices have been posted multiple times to creditors and expenditure, following payment, we note that the transaction has been between bank and expenditure; therefore overstating expenditure and leaving the MAT open to risk of overpayment.</p>	High	Natalie Ferer	28/2/2018	28/2/2018	open	<p>Recommendation: We recommend that all appropriate staff members are formally trained on PS Financials and are trained on their function as well as other functions to ensure that there is always someone on hand with knowledge of the system to advise appropriate treatment.</p> <p>Agreed Management Action: Training is planned for the end of January and further training will be organised as required (recommendation 1). In addition members of the University Finance team will be trained in the use of PS Financials and we will consider buying additional consultancy services from the software supplier to use when further support is required.</p> <p>Roles and expectations of staff responsible for maintaining accounting records will be reviewed</p>	21/2/2018	Natalie Ferer	Training	some training has taken place. However, posting errors are continuing and further training will be arranged
Page 29	<p>1: Roles & Responsibilities</p> <p>It was noted that there is a lack of clarity over individuals' roles and responsibilities within the finance team, particularly in respect of the accounting system, once the former finance manager had left the Trust.</p> <p>Implication: This caused omissions of some entries such as payroll entries, and duplication of others such as purchase invoice payments, and therefore a material misstatement of the figures. This also caused journal entries to be processed without clear audit trails.</p>	High	Natalie Ferer	15/2/2018	31/1/2018	closed	<p>Recommendation: It is recommended that clear roles and responsibilities are allocated amongst staff and clear procedures are put in place for all aspects of the accounting system.</p> <p>Adequate training must be given to all members of staff who are responsible for maintaining the accounting records.</p> <p>Agreed Management Action: A monthly checklist will clarify responsibilities and ensure all accounting tasks are completed by month end. Roles and expectations will also be reviewed and training arranged as required. Training is planned for the end of January and further training will be organised as required.</p>	31/1/2018	Natalie Ferer	Target date changed to: 15/02/2018	Target date changed to: 15/02/2018 Original target date: 31/01/2018
								31/1/2018	Natalie Ferer	roles and responsibilities	Staff at the Academy and the UTC have received training and it has been reported by the CFO that their work is now being more closely supervised. The monthly checklist will be tested in the first week of February and then issued to staff so they are aware of what tasks they are expected to complete.
								19/2/2018	Natalie Ferer	Financial Controls Policy	proposal for changes to the Financial Controls Policy including a table to clarify roles and responsibilities
								4/4/2018	Natalie Ferer	Closed the Recommendation	roles and responsibilities now included in the Trust Financial Controls Policy. In addition the month end check list documents all month end tasks and who has completed them

JB/c494/22118	5: Control accounts Control accounts are not being utilised properly, reviewed nor reconciled, such as net wages, PAYE/NI, pensions, trade debtors, trade creditors. Implication: The payroll charge is significant to the MAT - if the journals are not being processed monthly as per the payroll reports, then there is a major weakness in the controls surrounding the payroll function. There is therefore a risk of misappropriation of funds as the reporting could be manipulated and payments manipulated also as there is not a full reconciliation of the charge and the payments made.	High	Natalie Ferer	31/5/2018	31/1/2018	closed	<p>Recommendation: We recommend that the payroll process is revised and a formal reconciliation of the payroll report with the postings as per the financial system are reconciled with the payments made. This should ensure that staff are paid appropriately as per approved calculations and that we reduce any misappropriation risks.</p> <p>Agreed Management Action: A formal process will be put in place for the payroll to be signed off in line with the bank mandate before the payroll backs are sent. Reconciliations will be completed monthly and be included on the monthly check list (recommendation 1). A formal process for recovery of overpayments will be put in place.</p>	31/1/2018	Natalie Ferer	review of January Payroll	the january payroll was reviewed by the Financial Controller. The Financial controller will review the February payroll input an output prior to it being finalised
								31/1/2018	Natalie Ferer	Target date changed to: 28/02/2018	Target date changed to: 28/02/2018 Original target date: 31/01/2018
								21/2/2018	Natalie Ferer	February Payroll	The Payroll reports for the Trust and UTC have been reviewed. It is planned that the Payroll input for both schools will be reviewed in the week following Pay day
								21/2/2018	Natalie Ferer	February Payroll	The Payroll reports for the Trust and UTC have been reviewed. It is planned that the Payroll input for both schools will be reviewed in the week following Pay day
								4/4/2018	Natalie Ferer	Payroll payments. Target date changed to: 31/05/2018	a review of payments made to staff against contracts is planned and will identify if any payments have been made to staff in error Target date changed to: 31/05/2018 Original target date: 28/02/2018
								4/4/2018	Natalie Ferer	Payroll payments	a review of payments made to staff against contracts is planned and will identify if any payments have been made to staff in error
								16/4/2018	Natalie Ferer	Closed the Recommendation	A formal reconciliation of the payroll report with the postings as per the financial system are now carried out each month and reconciled with the payments made. This done by carrying out checks before the payroll is finalised and after posting payroll transactions through control account reconciliations, It is not known at this stage if any members of staff have been overpaid, but if this is discovered, the Trust should follow processes established in the University to recover over payments.

JB/d4a5/22118	10: Accruals based reporting The accounting records were being maintained on a cash accounting basis instead of an accruals and prepayments basis. A number of adjustments had to be processed to recognise the appropriate accruals, creditors and accrued income. Implication: There is a risk that incorrect financial information is presented to the board.	Medium	Natalie Ferer	28/9/2018	28/9/2018	open	Recommendation: The finance staff need to be trained to understand the difference between cash accounting and the accruals concept. This should incorporate an understanding of cut off procedures making it easier to identify the necessary adjustments for monthly, termly and year end accounts. Agreed Management Action: Accounting records are maintained on an accruals basis. The monthly check list and actions in response to recommendation 6 and 8 will ensure that management and year end accounts are prepared on an accruals basis.				
JB/d4a6/22118	14: Agency staff The agency staff costs in the year of £587k is extremely high compared to other trusts, and indicates a potential staffing and budgeting issue which should be closely monitored. Implication: Having heavy reliance on agency staff is a potential issue and needs to be managed by the team. Whilst there is an obvious financial impact, it also has an impact on the day to day operations as there is inconsistency in approaches as staff change.	Medium	Natalie Ferer	30/6/2018	30/6/2018	open	Recommendation: We recommend that the Trust reviews it's staffing position and prepares an action plan in respect of this area. Agreed Management Action: A staff budget and recruitment strategy will be prepared as part of the 2018/19 budget process.				
JB/d4ba/22118	11: VAT receivable Throughout the account period, we note that only 2 VAT 126 returns have been processed and submitted. The UTC VAT balance per PS Financials is £56k overstated compared to the draft claim workings. The VAT balances have not been reconciled during the period. Implication: There is a risk that these claims have been prepared incorrectly and/or the balance showing as receivable in the accounting system is incorrect. The Trust is also not taking advantage of cash flow opportunities as these returns can be processed on a monthly basis.	Medium	Natalie Ferer	30/4/2018	30/3/2018	closed	Recommendation: It is firstly recommended that the financial system is brought up to date and the VAT 126 returns already processed are reviewed for appropriateness. It is further recommended that the governors of the MAT consider adopting the policy of processing these returns on a monthly basis to aid inflows.	4/4/2018	Natalie Ferer	VAT returns. Target date changed to: 30/04/2018	these are in the process of being prepared and will be brought up to date by the end of April Target date changed to: 30/04/2018 Original target date: 30/03/2018
								4/4/2018	Natalie Ferer	VAT returns	these are in the process of being prepared and will be brought up to date by the end of April
							Agreed Management Action: VAT 126 returns will be prepared, reconciled to ledgers and sent to HMRC monthly. The monthly check list will evidence that this task has been completed.	24/4/2018	Natalie Ferer	Closed the Recommendation	VAT returns have now been brought up to date and submitted to HMRC
JB/f4a9/22118	13: LGPS pensions We identified discrepancies between the amounts showing on the actuarial reports for employer contributions received, and the trust records of employer contributions paid to the scheme. Implication: These discrepancies indicate potential error in the information used by the actuaries in preparing the LGPS pension report figures.	Medium	Natalie Ferer	28/9/2018	28/9/2018	open	Agreed Management Action: We will review the documentation received by the actuaries and reconcile contributions paid to internal records, with discrepancies investigated and resolved directly.				

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	CONFIDENTIAL
Paper title:	Update on accounting records / management accounts
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	30 April 2018
Author:	Natalie Ferer, University Financial Controller
Purpose:	To update the Committee progress with bringing the 2017/18 accounting records up to date.
Recommendation:	The committee is asked to note the report

Background

Due to a number of difficulties relating to the year-end audit, there has been a delay in posting and reconciling financial transactions relating to the current financial year, 2017/18. The maintenance of financial records is now being closely monitored by University Finance staff and additional accountant has been engaged to support the current Interim Accountant in bringing the accounts up to date.

Progress update

Further work in bringing the accounts up to date is detailed in the attached schedule of tasks, and a monthly check list is used to ensure that postings and reconciliations are completed each month.

Recommendation

The committee is asked to note the report.

Action	15 Jan	22 Jan	29 Jan	5 Feb	12 Feb	19 Feb	26 Feb	5 Mar	12 Mar	19 Mar	26 Mar	2 Apr	30 Apr	31 May	30 Jun
Monthly checklist in place (AR1)			✓												
Training scheduled			Note 1												
Financial Accounting team to review and sign off bank recs (AR3)			✓												
Formal sign off of payroll bacs before sent (AR5)	✓														
Formal process for recovery of overpayments (AR5)								Note 2							
Payments only made against invoices entered on PSF (AR6)						✓									
Clarify roles and expectations (AR2)						Note 3									
Schedule of management accounts production in place (AR4)							✓								
Management accounts include balance sheet and reconciliation to ledger (AR4)									Note 4						
Load budgets onto PSF (AR16)								✓							

Action	15 Jan	22 Jan	29 th Jan	5 th Feb	12 th Feb	19 th Feb	26 th Feb	5 th Mar	12 th Mar	19 th Mar	26 Mar	2 Apr	30 Apr	31 May	30 Jun
Agree strategy for updating sales and purchase ledgers					✓										
Arrange additional PSF licences						✓									
close 2016/17 ledger			✓												
Month end process Sept 17					✓										
Month end process Oct 17							✓								
Month end process Nov 17								✓							
Update for SBA board and SBA Audit Committee (6 th March). Papers and update for board both by 22 nd Feb							✓								
Month end process Dec 17									✓						
December management accounts									✓						
Month end process Jan 18									✓						
January management accounts (going to March 22 Board). Papers Wed 14 th March									Note 7						
Month end process Feb 18										✓					

Note 1 – some training has taken place and more will be arranged as staff are confirmed in post

Note 2 and 6– no payroll overpayments have been found, but some suppliers have been paid twice for the same invoice and this money is being recovered. Other supplier statements are being obtained and reconciled.

Note 3 – to be confirmed as part of the Financial Controls Policy

Note 4 – management accounts now generated directly from accounting system so it is not necessary to prove the reconciliation of the management accounts to accounting records by production of a balance sheet and reconciliation

Note 5 – the current record of equipment purchases will be reconciled with accounting records and a full record of assets and equipment produced

Note 7 – December management accounts went to the March board, January and February management accounts were not produced. March accounts will be circulated at the end of April

	CONFIDENTIAL
Paper title:	PwC internal audit proposal
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	30 April 2018
Author:	Natalie Ferer, University Financial Controller
Purpose:	To update the Committee on Internal audit
Recommendation:	To note the proposal from PwC and to approve this approach to the provision of internal audit for South Bank Academies.

Background

At its meeting of 6 March 2018, the committee agreed to the introduction of an internal audit function to address the difficulties encountered during the audit of the 2016/17 Financial Statements. The requirements for an internal audit have been reviewed in line with ESFA guidance published in the Academies Financial Handbook.

LSBU Group and governance arrangements

A group governance structure is currently being developed in which it is proposed that SBA would be part of the LSBU Group and would access shared services provided by LSBU Professional Service Groups, e.g. Finance and HR. This was noted by the Board at its meeting of 22 March 2018 as an opportunity to streamline SBA Executive operations.

Internal Audit Service

The University's internal audit provider, PwC, has been approached with regard to providing internal audit services for the MAT and schools as part of its internal audit contract with LSBU. PwC has begun to scope and prepare a cost estimate for this service.

The terms and conditions of such an arrangement need to be further explored to ensure the SBA directors meet their obligations to the company in respect of audit and oversight. Further details of any proposal will be brought to the next meetings of the SBA Audit Committee and Board.

Recommendation

The Committee is requested to note the report.

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	CONFIDENTIAL
Paper title:	Risk registers
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	30 April 2018
Author:	Nicole Louis
Purpose:	Information
Recommendation:	The Board is requested to review the report.

Executive Summary

Risk registers for both schools have been updated by the principals and are attached.

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South Bank Academies

Risk Register - Academy

Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Reisidual Risk	Owner	Last reviewed	Date for next review	Status	Change	Commentary on changes
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.	3	Trust Board/Chair of LGB	Dec-17	Mar-18	Open	→	
Compliance	Serious breach of health & safety regulation or disability legislation occurs	Risk of litigation and Reputational risk.	3	3	9	Policies and procedures consistent with relevant legislation. Independent audit on Health and Safety and Policies. Regular reports to the board. Adequate insurance cover.	9	Principal	Apr-18		Open	↑	The Trust has not put in place a strategy and policy for GDPR. It has not yet been appointed a data protection officer. This position should be independent of the school staff. The risk is still high as the law becomes enforceable of 25th May. Rao is currently our governor with oversight of safeguarding. As he will be leaving the governing body shortly a replacement will need to be found who is then trained to the appropriate level to effectively scrutinise the schools safeguarding procedures and
Safeguarding	Safeguarding incident at one of the schools.	Risk to reputation locally and nationally, DfE and HSE intervention depending on seriousness of the event.	2	3	6	Experienced full time SENDCO as member of staff. 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.	6	Principal	Apr-18		Open	↑	
Financial	Changes to Funding via Government policy	Potential loss in income and threat to viability.	2	3	6	Monitoring of Government policy, Long term forecasts monitored by LGB, Financial expertise at Operational and Trustee level. Robust system of internal controls.	3	CFO/CEO	Dec-17	Mar-18	Open	↑	
Staffing	Failure to recruit key teaching and support staff posts. Inadequate capacity to review quality fo work.	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.	3	Principal	Apr-18		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 poor outcomes	2	3	6	Monthly monitoring of staffing, independent exit interviews carried out by Trust for all staff, timely recruitment processes to attract and retain competent staff.	3	Principal	Apr-18		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 & delivery and effective admissions processes. Monthly monitoring of pupil numbers. Work with local primary schools to ensure the Academy remains a first choice.	3	Principal	Apr-18		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	Increase trust and Academy Marketing capacity & delivery and effective admissions processes. Monthly monitoring of student numbers. Work with secondary schools with no post 16 offer.	3	Principal	Apr-18		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.	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. Practice Ofsted inspections and quality insurance visits.	3	Principal	Apr-18		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 School 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.	3	Principal/Trust Business Manager	Apr-18		Open	→
Infrastructure	Failure to safeguard academy 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	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.	2	Principal	Apr-18		Open	→
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	Academy has a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	3	Principal/CEO	Apr-18		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

South Bank Academies
Risk Register - UTC

Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Residual Risk	Owner	Last reviewed	Date for next review	Status	Change	Explanation of change
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. Training as required. Minutes to accurately represent challenge.	3	Trust Board/Chair of LGB	Apr-18	Jul-18	Open	→	N/A
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.	3	Principal	Apr-18	Jul-18	Open	→	N/A
Page 45 Safeguarding	Safeguarding incident at the UTC.	Risk to reputation locally and nationally, DfE, Ofsted and HSE intervention depending on seriousness of the event.	2	3	6	DSL fully trained and on SLT/ two deputy DSLs fully trained. Audit recommendations (DfE and Lambeth) in place. All staff and governors are given safeguarding and prevent training. Network monitoring to be introduced.	6	Principal	Apr-18	Jul-18	Open	↓	Safeguarding systems and procedures tighter following DfE review; subsequent DfE monitoring and Lambeth audit positive.
Finance	Changes to Funding via Government policy	Potential loss in income and threat to viability. Withdrawal of Transitional Funding. Fair Funding Formula impacts.	2	3	6	Strategic engagement with DfE and ESFA. Monitoring of Government policy, Long term forecasts monitored by LGB, Financial expertise at Operational and Trustee level. Robust system of internal controls.	3	CFO/CEO	Apr-18	Jul-18	Open	↑	Climate of uncertainty with regard to longevity of UTC-specific transitional funding: no announcement post 2019-20. Uncertainty over funding formula change and implementation.

Staffing	Failure to recruit key teaching and support staff posts. Lack of financial resource to fully staff required positions in structure.	Lack of strength in teaching leading to lower than expected outcomes from students. Lack of capacity to sustain improvements in T&L. Lack of leadership capacity. Lack of development of UTC-specific elements. 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. External validation visits to triangulate leaders' judgements and identify additional needs.	6	Principal	Apr-18	Jul-18	Open	→	N/A
Staffing	Inadequate calibre of teaching and support staff within the UTC.	Inadequate teaching and learning and student support leading to poor student outcomes. Unsatisfactory Ofsted grading leading to poor outcomes.	2	3	6	Strong internal systems; management monitoring and support; staff development programme. Strategies to retain strong staff and move on underperformers	3	Principal	Apr-18	Jul-18	Open	→	N/A
Pupils Page 46	Failure to recruit sufficient number of pupils in to Years 10 and/or 12.	Reduction in pupil led income which could lead to T&L, attainment and long term financial problems. Potential damage to the UTCs reputation.	3	3	9	Increase trust and UTC Marketing capacity & delivery and effective admissions processes. Monthly monitoring of student numbers. Work with secondary schools with no post 16 offer.	6	Principal	Apr-18	Jul-18	Open	→	N/A
Pupils	Poor student outcomes.	Poor examination results could cause a reputational and financial risk. Will generate data potentially impacting on Ofsted grading. Detrimental to student futures/careers. UTC's reputation at risk.	2	3	6	Teaching and Learning constantly monitored and reported. Termly attainment reporting sent to management and pupils. Strategic intervention led by data analysis. Principal reports to local governing body. Mock Ofsted inspections and quality assurance visits.	6	Principal	Apr-18	Jul-18	Open	→	N/A
Infrastructure	Land and Buildings are fit for purpose.	Damage to property due to poor maintenance or lack of suitable site staff could cause disruption to business continuity and cause damage to pupils learning and School reputation	2	2	4	Maintenance requirements assessed; planning in place for site support. Adequate budgets for building maintenance are provided. Support from LSBU in place.	2	Principal/Trust Business Manager	Apr-18	Jul-18	Open	↑	Currently good site support through builders during construction phase but no site team on staff; some maintenance issues to be addressed at 12 months from occupation.

Infrastructure	Failure to safeguard UTC 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.	2	2	4	UTC has adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers are monitored and audited regularly. Adequate insurance is provided.	2	Principal	Apr-18	Jul-18	Open	↓	In permanent building higher level of security both physical and system-based. Secure by Design entry and exit. Asset register and internal systems.
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	The UTC has a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	3	Principal/CEO	Apr-18	Jul-18	Open	→	N/A

Risk Calculation Impact	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

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	CONFIDENTIAL
Paper title:	Anti-fraud, bribery and corruption report
Board/Committee:	South Bank Academies Audit Committee
Date of meeting:	30 April 2018
Author:	Nicole Louis
Purpose:	Information
Recommendation:	The Board is requested to note the report.

Executive Summary

This report is to inform the Audit Committee that there have been no reported cases of fraud in the MAT or schools since the last report on 6 March 2018.

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	CONFIDENTIAL
Paper title:	Speak Up report
Board/Committee:	South Bank Academies Audit Committee Meeting
Date of meeting:	30 April 2018
Author:	Michael Broadway
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 inform the Audit Committee of any reports relating to the Speak Up policy.

A speak up matter was received from a member of staff at the UTC, via the Safecall service, on 12 April 2018. In accordance with the company's Speak Up policy, the matter has been referred to the CEO, in the first instance. An update will be brought to the next meeting of the Audit Committee.

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