

## Meeting of the South Bank Academies Audit Committee

4.00 - 6.00 pm on Thursday, 21 June 2018  
in 1B16 - Technopark, SE1 6LN

### Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		RF
2.	Declarations of interest		RF
3.	Minutes of previous meeting	3 - 6	RF
4.	Matters arising	7 - 8	RF
<b>Items to discuss</b>			
5.	External audit / management actions update	9 - 24	NF
6.	Appointment of auditors		NF
7.	External audit plan 2017/18	25 - 36	AK
8.	Internal audit proposal	37 - 38	NF
9.	Employment visas	39 - 40	NL
10.	Student data returns	41 - 44	NL
11.	GDPR compliance	45 - 46	NL
12.	Safeguarding	47 - 52	NL
<b>Items to note</b>			
13.	Health & Safety report	53 - 56	NL
14.	Risk register	57 - 66	NL
15.	Speak up	67 - 68	MB
16.	Anti-fraud, bribery and corruption report	69 - 70	NF

**Date of next meeting**  
**4.00 pm on Tuesday, 13 November 2018**

**Members:** Richard Flatman (Chair) and Adam Crossley

**Apologies:** Tony Giddings

**In attendance:** Nicole Louis, Michael Broadway, Joe Kelly

**Auditors:** Anjali Kothari and Danna Lukic

*No. Item*

*Pages*

*Presenter*

**Minutes of the meeting of the South Bank Academies Audit Committee  
held at 3.00 pm on Monday, 30 April 2018**

**South Bank Engineering UTC  
56 Brixton Hill SW2 1QS**

**Present**

Richard Flatman (Chair)  
Tony Giddings

**Apologies**

Adam Crossley

**In attendance**

Nicole Louis  
Michael Broadway  
Joe Kelly  
Natalie Ferer  
Dan Cundy  
Kam Bains

**1. Welcome and apologies**

The Chair welcomed members and staff to the meeting including Dan Cundy, Principal UTC, and Kam Bains, Vice Principal UTC.

The above apologies were noted.

**2. Declarations of interest**

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

**3. Minutes of previous meeting**

The minutes of the previous meeting were approved.

**4. Matters arising**

The committee noted that the company accounts had been filed at Companies House.

The committee requested an update on arrangements for land valuations for both schools.

The CEO is reviewing the student data returns requirements and would update the committee at its next meeting.

The fixed asset register is being developed and would be in place for the year end.

**5. Safeguarding update**

The Principal and Vice Principal provided an update on management actions for the Safeguarding reports dated January and February 2018.

The committee noted the update on Safeguarding cases at the UTC and the UAE. The committee requested that any changes or updates on the status of Safeguarding cases, and a summary of key actions, be included in the report.

The meeting noted that the in-depth report from the DfE was at the request of UTC management to evaluate the current state of safeguarding and make recommendations to achieve compliance.

The Principal confirmed that all recommendations had been addressed with the exception of Medical Needs and First Aid where the school continues to work with the nurse to ensure paperwork and student details are accurate.

The term 5 DfE visit report found that Safeguarding was good and made no recommendations.

**6. External audit management actions update**

The Board noted the external audit management actions update and the progress made.

The Committee requested the interim CFO to provide a timetable for drafting and approval of the budget 2018/19.

The Committee approved the consolidation of the existing separate school bank accounts into one MAT account.

The Committee noted that assessment of staff training needs remains under review, including the appointment of a new business manager which is underway.

The committee requested a further update at its next meeting.

**7. Update on accounting records / management accounts**

The Committee noted the report on accounting records / management accounts.

The Committee noted management accounts to 31 March 2018 were in final draft and would be forwarded to the Board when complete. The Committee noted that the records of payments to suppliers were being finalised and confirmed.

The Committee confirmed that it was reassured by the progress made on control mechanisms and accounting records.

**8. Appointment of external auditor**

The Committee noted a meeting has been arranged with the auditors to discuss their performance in 2017/18 and audit requirements for 2018/19. Subject to this meeting, the committee approved the re-appointment of Kingston Smith as external auditors.

The Committee requested that a recommendation on the re-appointment of auditors and an audit plan (2018/19) are presented to the Audit Committee meeting on 21 June 2018.

**9. PwC internal audit update**

The Committee noted the internal audit proposal.

The Committee noted LSBU's plans for group governance and that PwC is LSBU's internal auditor. The Committee agreed to establish an internal audit function independently of LSBU's plans for group governance, and to invite an internal audit plan and proposal from PwC. The Committee noted that future arrangements for internal audit may be part of LSBU's group approach.

**10. Risk registers**

The Committee noted the school risk registers.

The Committee noted the need to ensure GDPR compliance and agreed to consider the option of outsourcing to a third party. The Committee requested an update be brought to its next meeting.

The Committee noted that both LGBs are appointing a link governor for Safeguarding.

The Committee requested a report on the current Health & Safety audit in both schools at its next meeting.

**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 and received further information from the Interim CEO. An update will be brought to the next meeting.

**Date of next meeting  
3.00 pm, on Thursday, 21 June 2018**

**Confirmed as a true record**

..... (Chair)

**SOUTH BANK ACADEMIES AUDIT COMMITTEE - MONDAY, 30 APRIL 2018  
ACTION SHEET**

<b>Agenda No</b>	<b>Agenda/Decision Item</b>	<b>Action</b>	<b>Date Due</b>	<b>Officer</b>	<b>Action Status</b>
4.	Matters arising	Update on timetable for land-valuations for both schools  Report on compliance requirements for student data returns	Before 8 Jun 2018	Nicole Louis  Nicole Louis	Verbal update  On agenda
5.	Safeguarding update	Safeguarding report to include changes/updates on the status of Safeguarding cases, and a summary of key actions	Before 8 Jun 2018	Nicole Louis	On agenda
6.	External audit management actions update	Timetable for drafting and approving MAT/schools budget 2018/19  Consolidation of bank accounts into one account. To be confirmed with DfE  Update on management actions at next meeting	Before 8 Jun 2018  Before 8 Jun 2018  Before 8 Jun 2018	Natalie Ferer  Natalie Ferer  Natalie Ferer	On agenda  DFE is considering but in the meantime, Kingston Smith see no reason why we should not have one bank account. In process of switching over BACS details to SBA main account  On agenda

<b>Agenda No</b>	<b>Agenda/Decision Item</b>	<b>Action</b>	<b>Date Due</b>	<b>Officer</b>	<b>Action Status</b>
7.	Update on accounting records / management accounts	Final confirmation of suppliers' payment records	Before 8 Jun 2018	Natalie Ferer	Still in progress
		Circulate management accounts to the Board	Before 21 Jun 2018	Natalie Ferer	Completed
8.	Appointment of external auditor	(i) recommendation on re-appointment of auditors (ii) external audit plan 2018/19	Before 8 Jun 2018	Natalie Ferer	On agenda
9.	PwC internal audit update	Invite internal audit proposal/plan from PwC	Before 8 Jun 2018	Natalie Ferer	Completed – arranging scoping meeting in next few weeks
10.	Risk registers	Proposal on outsourcing GDPR DPO	Before 8 Jun 2018	Nicole Louis, Dan Cundy	On agenda
		Both LGBs to appoint a link governor for Safeguarding	Before 8 Jun 2018	Nicole Louis	To do
		H&S compliance report on both schools	Before 2 Jul 2018	Nicole Louis	On agenda



	CONFIDENTIAL
Paper title:	Update on accounting records / management actions update
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	21 June 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

## 1. Background

Due to a number of difficulties relating to the year-end audit, there had 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 an interim accountant and good progress has been made with bringing the accounts up to date and implementing recommendations made by Kingston Smith following their audit of the 2017/18 Accounts.

## 2. Accounting records

A schedule of tasks necessary to bring the accounts up to date is attached and a detailed monthly check list is being used to ensure that postings and reconciliations are completed each month. Transactions have been posted up to April 2018 and Management accounts to April 2018 were published in the first week of June. It is expected that May month end will be completed by the second week of June.

Monthly routines around posting transactions and reconciliations has now been established and it monitored through the month end check list. A number of control procedures have been put in place which address many of the recommendations made by Kingston Smith during their 2017 audit, including:

- process in place for authorisation of the payroll before release
- payments to suppliers are only made on evidence that invoices paid have been processed on PS Financials.
- A schedule for production of management accounts is in place
- Budgets have been loaded onto PS Financials
- Management accounts are produced directly from PS Financial.

A schedule of tasks still to complete up the year end is attached.

### 3. Audit recommendations

Most of the recommendations relate to improving financial procedures and strengthening financial control and significant progress has been made

The attached action tracker lists progress against individual actions and a summary of open actions is shown below. Of the 8 actions are still open, 2 are due before the end of June with the remaining 6 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	Oct 18	At year end accruals will be clearly documented
Accruals based reporting		
Fixed asset register	June 18	Target date changed from April to June. 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
Supplier transactions	July 18	Target date changed from April to July. Key supplier statements are still being obtained and reconciled to the purchase ledger.
Accounting system	July 18	Target date changed from February to July some training has taken place and further training will arranged once the Trust Business Manager is in post and has assessed the training needs of staff.
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

### 4. 2018 Audit process

Kingston Smith are scheduled to undertake an interim audit starting on the 9<sup>th</sup> July. They will undertake substantive sample testing of bank payments, purchase invoices and staff salaries from September 2017 – May 2018, income testing, payroll, and check reconciliations for VAT, accruals prepayments, trade creditors, payroll control

accounts and deferred income. They will also review governance procedures. The main audit work will take place in early October.

The University's internal audit provider, PWC, as part of their agreement with LSBU, have allocated 15 days to review the key financial controls in place at The Trust, and this work is likely to start in August or September 2018.

## **5. Recommendation**

The committee is asked to note this report.

## **Appendices**

Appendix A: management actions detail

Appendix B: budget preparation timetable

<b>Action plan to bring accounting records up to date</b>						
<b>Action</b>	<b>30 Apr</b>	<b>31 May</b>	<b>30 Jun</b>	<b>31 July</b>	<b>31 Aug</b>	<b>30 Sept</b>
Training scheduled (note 1)				X		
Clarify roles and expectations (AR2) (note 2)				X		
Reconcile supplier accounts to statements and resolve debit balances (AR6) (note 3)			X			
VAT126 returns up to date and reconciled to GL (AR11) (note 4)			X			
Full Fixed asset register in place (AR12) (note 5)			X			
Valuation of Leasehold land and building (AR7)						X
Review agency staffing budget (AR14)			X			
Reconcile contributions paid to LGPS report (AR13)					X	
Document year end accruals (AR8)						X
Month end process and Management accounts to May			X			
Month end process and Management accounts to June				X		
Month end process and management accounts to July					X	
Year end process and management accounts						X

Note 1 – some training has taken place and more will be arranged when the Trust Business Manager is in post and has assessed training needs.

Note 2 – to be confirmed as part of the Financial Controls Policy

Note 3 supplier statements are being obtained and reconciled.

Note 4 – VAT returns up to the end of February 2018 have been submitted

Note 5 – the current record of equipment purchases are being reconciled with accounting records and a full record of assets and equipment produced with an accompanying schedule of capital grants and reserves.

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Ref	Finding Number & Description	Priority	Responsible Person	Target Date	Recommendation Status	Agreed Actions	Action date	Action description	Action detail
JB/04a8/2 2118	<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	open	<p>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	Target date changed to: 31/10/2018	Target date changed to: 31/10/2018 Original target date: 30/04/2018
							19/2/2018	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/14a5/2 2118	<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	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	Target date changed to: 15/02/2018	Target date changed to: 15/02/2018 Original target date: 31/01/2018
							31/1/2018	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	Bank Reconciliations for September	A member of the University Finance team are now preparing reconciliations for September
							19/2/2018	Closed the Recommendation	monthly bank recs are now being reviewed by the University Financial Accountant
JB/14bf/2 2118	<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	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	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

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JB/2480/2 2118	18: Central recharges  Where internal bank transfers are made, there is not always supporting documentation available.  Implication: If inter academy transactions are not being consistently monitored and recorded, then the risk of entity level reporting being inaccurate is increased.	Low	Natalie Ferer	31/5/2018	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	Intercompany transfers. Target date changed to: 31/05/2018	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  Target date changed to: 31/05/2018 Original target date: 28/02/2018
							24/4/2018	Closed the Recommendation	<p>Agreed Management Action: Supporting documentation is checked before any accounting entries are made. The completion of regular internal recharges will be included on the monthly check list and have been brought up to date. bank and inter company account reconciliations are up to date</p> <p>Trust will consider reducing the number of bank accounts from 3 to 1 to simplify the accounting entries.</p>
JB/249a/2 2118	12: Fixed asset register  A complete fixed asset register was not available at the time of the audit  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.	Medium	Natalie Ferer	22/6/2018	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	Fixed asset register. Target date changed to: 16/05/2018	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  Target date changed to: 16/05/2018 Original target date: 30/03/2018
							4/6/2018	Fixed Asset register. Target date changed to: 22/06/2018	<p>the team are in the process of creating a detailed fixed asset register and it is expected that this exercise will be completed by mid June. This will also include an analysis of capital grants received to ensure that expenditure and depreciation is accounted for correctly.</p> <p>Target date changed to: 22/06/2018 Original target date: 16/05/2018</p>



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JB/24b3/2 2118	<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	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	Closed the Recommendation	management accounts produced from December and variances investigated and commented on
Page 17	<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	closed	<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	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	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	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  Target date changed to: 30/04/2018 Original target date: 28/02/2018
							4/6/2018	Closed the Recommendation	management accounts for March and April have now been produced and will be produced monthly going forward
JB/44bf/2 2118	<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	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	Completed.	The register is now up-to-date.
19/2/2018	Closed the Recommendation	The register is now up-to-date.							

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JB/54b8/2 2118	<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	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	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/64b5/2 2118	<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	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	Closed the Recommendation	This action has already been implemented by the Governance Team.
JB/9485/2 2118	<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	31/7/2018	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	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	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	Target date changed to: 31/05/2018	Target date changed to: 31/05/2018 Original target date: 11/04/2018
							4/6/2018	Supplier payments. Target date changed to: 31/07/2018	invoices are now being booked on the purchase ledger as they are received and payments only made against invoices recorded on PS Financials. a review of key supplier statements is still to be completed and it is planned that this will be addressed during July Target date changed to: 31/07/2018 Original target date: 31/05/2018

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JB/9495/2 2118	<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	31/7/2018	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. Roles and expectations of staff responsible for maintaining accounting records will be reviewed</p>	21/2/2018	Training	<p>some training has taken place. However, posting errors are continuing and further training will be arranged</p>
JB/b4ab/2 2118	<p>1: Roles &amp; 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	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. 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	Target date changed to: 15/02/2018	Target date changed to: 15/02/2018 Original target date: 31/01/2018
Page 19							31/1/2018	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	Financial Controls Policy	proposal for changes to the Financial Controls Policy including a table to clarify roles and responsibilities
							4/4/2018	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/c494/2 2118	<p>5: Control accounts</p> <p>Control accounts are not being utilised properly, reviewed nor reconciled, such as net wages, PAYE/NI, pensions, trade debtors, trade creditors.</p> <p>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.</p>	High	Natalie Ferer	31/5/2018	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 bacs are sent. Reconciliations will be</p>	31/1/2018	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	Target date changed to: 28/02/2018	Target date changed to: 28/02/2018 Original target date: 31/01/2018

						completed monthly and be included on the monthly check list (recommendation 1). A formal process for recovery of overpayments will be put in place.	21/2/2018	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	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	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	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	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/d4a5/2 2118	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	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.			

# South Bank Multi Academy Trust

JB/d4a6/2 2118	<p>14: Agency staff</p> <p>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.</p> <p>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.</p>	Medium	Natalie Ferer	30/6/2018	open	<p>Recommendation: We recommend that the Trust reviews it's staffing position and prepares an action plan in respect of this area.</p> <p>Agreed Management Action: A staff budget and recruitment strategy will be prepared as part of the 2018/19 budget process.</p>			
JB/e4ba/2 2118	<p>11: VAT receivable</p> <p>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.</p> <p>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.</p> <p>The Trust is also not taking advantage of cash flow opportunities as these returns can be processed on a monthly basis.</p>	Medium	Natalie Ferer	30/4/2018	closed	<p>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.</p> <p>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.</p>	4/4/2018	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	VAT returns	these are in the process of being prepared and will be brought up to date by the end of April
							24/4/2018	Closed the Recommendation	VAT returns have now been brought up to date and submitted to HMRC
F 2018 21	<p>13: LGPS pensions</p> <p>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.</p> <p>Implication: These discrepancies indicate potential error in the information used by the actuaries in preparing the LGPS pension report figures.</p>	Medium	Natalie Ferer	28/9/2018	open	<p>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.</p>			

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## South Bank Academies 2018/19 Budget Timetable

Activity	Date (UTC)	Date (UAE)	Date (MAT)	Who will be involved
ESFA revenue funding allocations received	31 March	31 March	-	ESFA
ESFA 16-19 allocations received	March	March	-	ESFA
ESFA publish guidance on 2018/19 budget forecast return	May	May	-	ESFA
School Budget Proposals Draft to be done	25 May	31 May	-	MO, DC, JT, NF
Trust executive to consider draft school budget	4 June	5 June	-	NL, NF, MO, JT, DC
Mat Draft Budget to be created based on last year's figures	-	-	6 June	MO, NF, RB
MAT draft budget to be reviewed and amendments suggested	-	-	Thu 7 June	NL, MO, NF, RB
Amendments to school budget completed	19 June	26 June		MO, NF
School draft budgets to be sent to governance for circulation for LGB Meetings	20 June	27 June	-	MO, NF, SK, AE, JK
Final draft budgets of Schools and MAT to be completed	14 June	21 June	28 June	MO, NF
Trust executive consider all final draft budgets	2 July	2 July	2 July	NL, NF, MO
Dave Phoenix and Richard Flatman to review all budgets	4 July	4 July	4 July	NL, DP, RF, NF
Draft school budgets to be reviewed by LGBs	4 July	11 July		NL, NF, DC, JT
Any last minute amendments deadline	5 July	5 July	5 July	MO, NF
Final budget to be sent to governance for circulation	6 July	6 July	6 July	NF, MO, SK, NL, AE, JK
Final Version of all budgets to be reviewed by SBA board	19 July	19 July	19 July	NL, NF
Any final amendments to be made	26 July	26 July	26 July	NL, NF, MO
Submit to ESFA 2018/19 budget forecast return	27 July	27 July	27 July	MO, NF
Trust Board considers post enrolment budget revision	Oct	Oct	Oct	Board

Nicole Louis (NL)	Alex Enibe (AE)	Sarah Kuria (SK)
Natalie Ferer (NF)	David Phoenix (DP)	Rao Bhamidimarri (RB)
Michael Okelola (MO)	Richard Flatman (RF)	Joe Kelly (JK)
Dan Cundy (DC)	John Taylor (JT)	



Board / LGB meeting dates

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Paper title:	External audit plan 2017/18
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	21 June 2018
Author:	Kingston Smith
Purpose:	For review and approval
Recommendation:	The committee is requested to approve the attached audit plan, subject to fees being agreed with Management.

## **Executive summary**

A draft external audit plan 2017/18 is attached.

The committee is requested to approve the draft plan, subject to fees being agreed with Management.

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5 June 2018

**The Trustees**  
**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 2018**

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 2018. 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

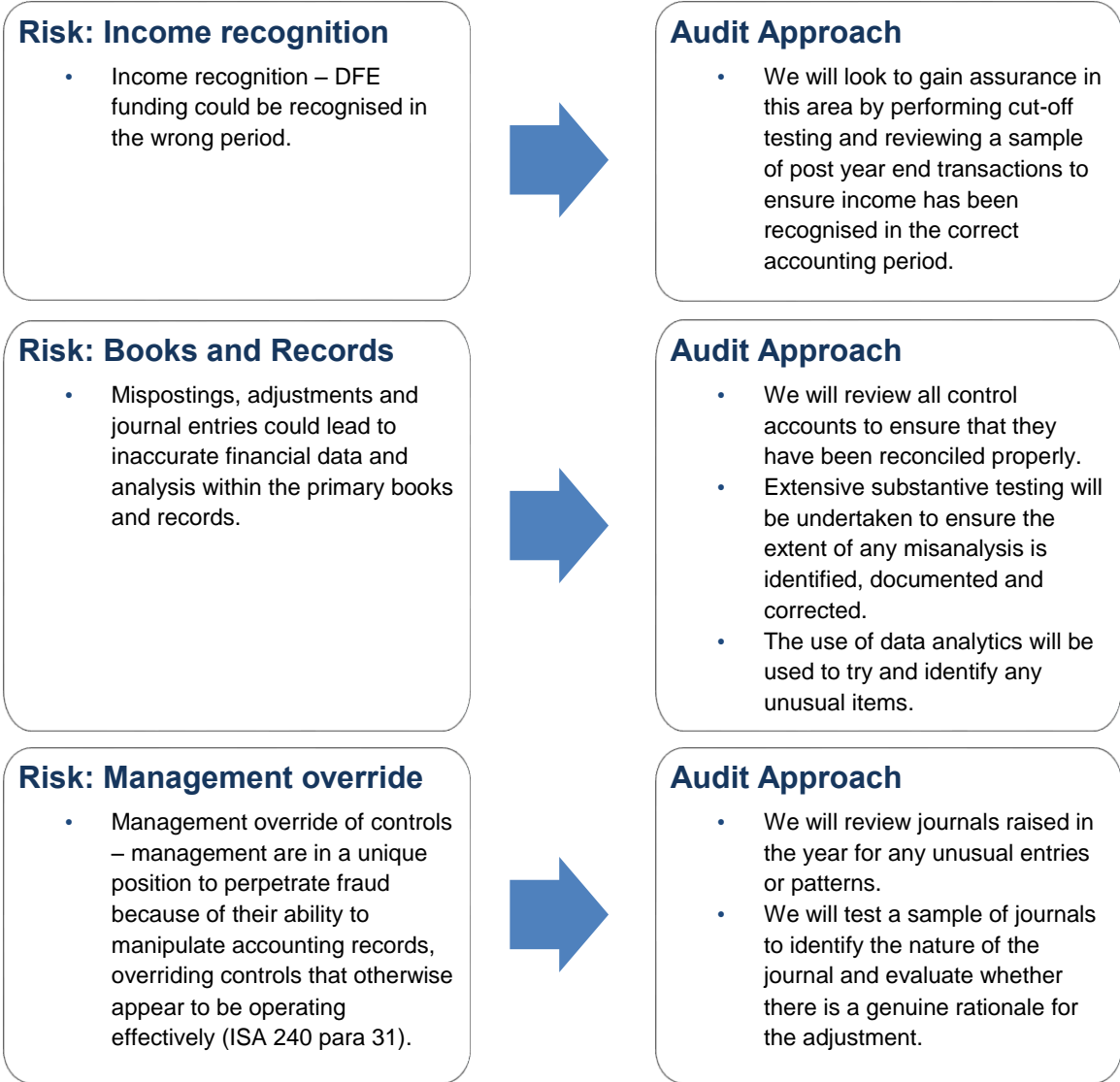
**KINGSTON SMITH LLP**

**Kingston Smith LLP**  
Chartered Accountants and Business Advisers  
Devonshire House, 60 Goswell Road, London EC1M 7AD  
020 7566 4000 [www.ks.co.uk](http://www.ks.co.uk)

A list of partners is available for inspection at the registered office  
Registered in England and Wales as a Limited Liability Partnership: No OC317343  
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

### 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:-



### 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.

### **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:-

<b>Service</b>	<b>2018 £</b>
Audit of the financial statements for Southbank Academies Trust for the year ended 31 August 2018 including planning and closing meetings	7,800
Audit of the financial statements for Southbank Academies Trust for the year ended 31 August 2018 – additional work due to higher level of risk	3,500
Interim Audit of the financial statements for Southbank Academies Trust for the year ended 31 August 2018 including interim report	5,000
Meeting attendance at June Audit Committee, November Audit Committee and December Board meetings	3,000
Preparation and audit of the Academies Accounts Return	2,100

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

### **Other matters which may affect the audit**

#### **Statutory Accounts**

As per our meeting of 16 May 2018 the intention this year is for Trust management to prepare the statutory financial statements for the year ended 31 August 2018.

Our estimated fees and timetable therefore reflect the assumption that we will be provided with full statutory financial statements compliant with the Academies Accounts Direction 2018 including all disclosures to be audited, rather than just the trial balance.

**Issues from the year ended 31 August 2017**

Due to the issues during the year ended 31 August 2017 and errors in postings, we are unable to place reliance on analytical review. There will therefore be a larger reliance on substantive work and larger sample sizes tested.

**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.

### Interim audit visit

The purpose of the visit is to audit the interim trial balance position as at May 2018, and issue an interim management report of findings. The intended scope of this work is as follows:-

#### Balance Sheet testing

1. Opening balances cross check between accounting system and final 2017 accounts
2. Testing of all Balance Sheet control account reconciliations and breakdowns as at 31 May 2018, to include:-
  - a. VAT
  - b. Accruals
  - c. Prepayments
  - d. Supplier ledger
  - e. Net wages
  - f. PAYE/NI and pensions control accounts
  - g. Deferred income
  - h. Other debtors/creditors

#### Impact on year end

The purpose of the Balance Sheet testing as at 31 May 2018 is to give some assurance over the internal controls and processes in place after the extensive issues experienced in the prior year to 31 August 2017. The intention is that any deficiencies in the process undertaken this year, or any discrepancies in the figures will be identified and raised before the year end.

No reliance will be placed upon this work during the final audit of the 31 August 2018 figures.

#### Transactional testing

1. Income testing for the September 2017 to May 2018 period
2. Substantive sample testing of bank payments, purchase invoices and staff salaries within the September 2017 to May 2018 period
3. Check payroll reconciliations between payroll reports and accounting system staff costs for the period September 2017 to May 2018
4. Governance procedures including how the trust identifies related party transactions

#### Impact on year end

The purpose of the transactional testing for the period September 2017 to May 2018 is to gain assurance over the accounting system in place during this year after the issues experienced in the prior year to 31 August 2017.

This testing will form part of our final audit of the year to 31 August 2018.

### Timetable

Please see Appendix 4 for our detailed proposed audit timetable.

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 in line with the timings stated. If there are delays in receiving information we may need to revise this timetable or there could be an impact on estimated cost. We will of course let you know if we anticipate that any changes to the timetable will be necessary.

### Audit team

	<b>Name</b>	<b>Phone number</b>	<b>E-mail</b>
Partner and senior statutory auditor	Anjali Kothari	020 7566 3656	<a href="mailto:akothari@kingstonsmith.co.uk">akothari@kingstonsmith.co.uk</a>
Manager	Danna Lukic	020 8848 5526	<a href="mailto:dlukic@kingstonsmith.co.uk">dlukic@kingstonsmith.co.uk</a>
Senior	Ellie Weston	020 8848 5500	<a href="mailto:eweston@kingstonsmith.co.uk">eweston@kingstonsmith.co.uk</a>
Assistant	Sandeep Dio	020 8848 5500	<a href="mailto:sdio@kingstonsmith.co.uk">sdio@kingstonsmith.co.uk</a>

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



Our duty as auditors is to report to the shareholders whether in our opinion the financial statements which the directors have prepared 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 Directors' Report (and Strategic Report, if required to be prepared) for the financial year for which the financial statements are prepared is consistent with the financial statements and complies with applicable legal requirements.

We also report to you our conclusions in respect of certain matters regarding the appropriateness of the going concern basis of preparation of the financial statements and disclosure of any material uncertainties in this respect.

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 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 directors' remuneration specified by law have been made;
- (d) whether we have obtained all the information and explanations which we require for the purpose of our audit; and
- (e) where applicable, whether the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We are also required to report whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified any material misstatements in the strategic report or the directors' report.

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 (FRS 102) or International Financial Reporting Standards (IFRS) (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) (ISAs (UK)) approved by the Financial Reporting Council 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.

<b>Actions to be taken</b>	<b>Target date</b>
Initial planning meeting between Richard Flatman, Nicole Louis, Natalie Ferer, Anjali Kothari and Danna Lukic	16 May 2018 – LSBU 9am
Scoping letter to be submitted to management with detailed audit scope and approach	6 June 2018
Audit committee meeting where detailed audit scope and approach to be confirmed	21 June 2018 – LSBU 2pm
May 2018 trial balance for interim audit to be provided to Kingston Smith	3 July 2018
On-site interim audit work	Week commencing 9 July 2018
Draft interim audit findings report to be provided to management	Monday 23 July 2018
Fully prepared year end statutory accounts and trial balance to be provided to Kingston Smith	28 September 2018
On-site audit work to begin	8 October 2018
Draft management letter and letter of representation to be provided to management	26 October 2018
Closing meeting with management	In week commencing 29 October
Draft papers circulated to Audit committee	6 November 2018
Audit committee	13 November 2018 – LSBU 4pm
Board meeting to approve financial statements and letter of representation	6 December 2018 – UAE 3pm

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	CONFIDENTIAL
Paper title:	Internal audit proposal
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	21 June 2018
Author:	Natalie Ferer, University Financial Controller
Purpose:	To update the Committee on Internal audit
Recommendation:	To note and approve the proposal from PWC regarding provision of an internal audit service

## **Background**

Following the difficulties encountered during the audit of the 2016/17 Financial Statements, the internal audit function of SBA MAT is being reviewed in line with ESFA guidance published in the Academies Financial Handbook.

## **Internal Audit Service**

The University's internal audit provider, PWC, as part of their agreement with LSBU, have allocated 15 days to review the key financial controls in place at the South Bank Academies Trust. The review will include a walk-through of controls, focused on identifying control gaps and weaknesses in the design of controls. It has also been recommended that the work PWC undertake includes a review of the governance arrangements at the MAT as well as a review of the safeguarding arrangements in place.

A scoping meeting is being set up and work will take place between August and October this year. Reporting will be to the LSBU audit committee with South Bank Academies reviewing reports.

## **Recommendation**

The Committee are asked to note the proposal for Internal Audit services.

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	CONFIDENTIAL
Paper title:	Employment visas
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Nicole Louis, Interim CEO
Purpose:	For information
Recommendation:	The Board is requested to note the report

## **Executive Summary**

It was recently discovered at the Academy that a member of staff had been employed illegally, since September 2017, in contravention of visa requirements.

The member of staff is no longer employed by the school and is applying for the relevant visa. The school is seeking legal advice on whether the person should be re-employed if the appropriate visa is obtained.

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	CONFIDENTIAL
Paper title:	South Bank Academies Student Data Returns Summary
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Sarah Kuria, Administration Officer for South Bank Academies
Purpose:	For information
Recommendation:	The Board is requested to review and note the report

## **Executive Summary**

As requested by the Audit Committee meeting on 30<sup>th</sup> April 2018, student data reporting requirements are summarised for both schools within SBA MAT.

The document details the timetable and type of data that is collected in relation to students. Additional reading is referenced via this [link](#), in particular pp32-38.

The committee is requested to review and note the report.

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## South Bank Academies: Student Data Returns Summary

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### School Census - DFE

Both schools are captured under the category that have to report directly to the DFE. They adhere to the same statutory requirements to provide DFE with the correct data.

**The timetable for School Census (Student Data returns) DFE** – Although these dates are for 2017/18, the dates fall within the same days every year. (2018/19 dates have not been published yet).

Date Collection	Census Day	Deadline for Returns
Autumn Census	5 October 2017	1 November 2017
Spring Census	18 January 2018	14 February 2018
Summer Census	17 May 2018	13 June 2018

### Type of Data Collected in School Census DFE

There are 94 different types of data collected about students on the census day. There are different codes to show whether data is required from; only pupils present on census day, only pupils no longer on roll on census day but for whom some data is required, for all pupils or for none.

The school census collects information about individual pupils and information about the schools themselves, such as their education provision. The pupil information collected includes free school meal eligibility, ethnicity, special educational needs, attendance and exclusions.

This requirement also changes throughout the year and not all data is required at each of the census days.

DfE's Guide to School Census Data 2017-18 can be found via this link. Information on the individual pupil level data categories is on pp 32 – 38.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/708550/2017\\_to\\_2018\\_School\\_Census\\_Guide\\_V1\\_8.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/708550/2017_to_2018_School_Census_Guide_V1_8.pdf)

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	CONFIDENTIAL
Paper title:	GDPR update
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Nicole Louis, Interim CEO
Sponsor:	Nicole Louis, Interim CEO
Purpose:	To note
Recommendation:	The committee is requested to note the update.

### **GDPR for Schools**

Schools handle a large amount of personal data. This includes information on pupils, such as grades, medical information, images and much more. Schools also hold data on staff, governors, volunteers and job applicants. Schools also handle what the GDPR refers to as special category data, which is subject to tighter controls. This could be details on race, ethnic origin, biometric data or trade union membership.

GDPR is introducing new record keeping that schools will need to do and slightly newer approaches to how they actually introduce new processing activities. Mapping data and having records of processing across all school systems is one of the biggest and most important changes from the DPA. Schools need to understand where their data is processed, what they process, and whether that's done internally or by a third party or by both. So they will identify how their data is processed and who does it and then they will be able to identify, as part of that, the technology that they process the data on and how that's secured.

Under the new law, schools must appoint a Data Protection Officer (DPO) if they carry out large-scale tracking of individuals or large-scale processing of special category data. It is possible for groups of schools, or MATs to share a DPO.

### **Data Protection Officer – South Bank Academies**

Due to the small scale of SBA and of each school, SBA has decided to outsource the role of DPO to a specialist third party provider, Judicium Education, which is the same company SBA currently uses for HR and payroll services. A contract for an initial period of 48 months was confirmed on 15 June 2018.

Once appointed, Judicium will assign a designated consultant to manage the SBA account. He/she will be an expert in this area and inform and advise the schools, SBA and associated employees about the obligations that are required to comply

with the GDPR and other data protection laws. This will be done by way of reports, information sheets and training. Telephone and email advice is also available for school and SBA leaders.

Schools will assign an internal data lead to act as the primary interface with Judicium. This will be a staff member who has an understanding of the schools' data processes and procedures, as well as knowledge of where data is stored. The Judicium service contract will be managed by the SBA Business Manager (appointment pending) who will also take the lead in ensuring that policies are developed and implemented in relation to GDPR compliance.

### **Summary of Provision**

#### *Data Protection Officer*

- Provide advice and guidance when required (with main focus on GDPR)
- Create and maintain data records (including all data processing activities carried out by schools and/or MAT)
- Drafting of data policies and procedures and provision of standardised, adaptable templates
- Provide training for employees (specifically GDPR compliance) including access to an e-learning platform for designated officers
- Acts as the first point of contact with authorities (ICO) and stakeholders in relation to GDPR
- Manage subject access requests (SAR) and those under Freedom of Information Act (Fol)
- Conducts an annual audit of data processes (this will look at compliance with policies and procedures and will make recommendations for improvements including new guidance from ICO)

#### **Cost of Contract:**

The value of the contract is £7,000 per annum excluding VAT for both schools which represents a saving of £3,000 in comparison to commissioning the contract at an individual school level.

#### **Immediate Next Steps and Priorities**

- |  |   |                   |
|--|---|-------------------|
| 1. Confirm contract / appointment                    | - | June              |
| 2. Judicium assign DPO                               | - | June              |
| 3. School publish / communicate to stakeholders      | - | June              |
| 4. Schools have access to GDPR relevant policies     | - | June              |
| 5. Schools review and adapt relevant policies        | - | July/August (tbc) |
| 6. Judicium conduct GDPR audit                       | - | September         |
| 7. Judicium provide report and action plan           | - | September         |
| 8. Judicium provide training to address actions plan | - | September/October |

	CONFIDENTIAL
Paper title:	Safeguarding Report
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Interim CEO and School Principals
Purpose:	For review
Recommendation:	The Board is requested to review the report

## **Executive Summary**

Both schools are required to produce a report on the safeguarding cases within their school, including the nature and the number of students in each category of intervention.

This document compares the safeguarding data from the previous Audit Committee Meeting to the current data.

## **Terminology**

MASH - Multi Agency Safeguarding Hub

EHCP – Education, Health and Care Plan

Early Help services (Local Authority support)

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**South Bank Academies Trust**  
Safeguarding Data

University Academy of Engineering South Bank  
Month/Year this related to: May 2018

**Summary of Key Actions and Comparison of Data**

**UPDATED MAY 2018**

Number of safeguarding cases currently dealing with		Number of cases		Number of students with statements and care plans		Summary of Key Actions
Level 1	10	MASH	10	Currently on EHCP	7 (+1 with statement)	Being monitored closely by the school
Level 2	14			EHCP agreed	1	
Level 3	6	Early Help	22	EHCP application stage	4	
Level 4	4			EHCP yet to join school	4	

**UPDATED APRIL 2018**

Number of safeguarding cases currently dealing with		Number of cases referred to LA teams		Number of students with statements and care plans		Summary of Key Actions
Level 1	12	MASH	10	Currently on EHCP	5	
Level 2	12			EHCP agreed	1	
Level 3	7	Early Help	18	EHCP application stage	3	
Level 4	4			EHCP yet to join school	4	

## **South Bank Academies Trust Safeguarding Data**

Overall the number of Safeguarding cases have come down from April across all levels. There have been more referred to Early Help which is the lowest form of severity concerning any safeguarding case. Our MASH (Multi Agency Safeguarding Hub – most severe cases) have stayed the same from April to May 2018.

**South Bank Academies Trust**  
Safeguarding Data

South Bank Engineering UTC  
Month/Year this related to: May 2018

**Summary of Key Actions and Comparison of Data**

**UPDATED MAY 2018**

Number of safeguarding cases currently dealing with		Number of cases		Number of students with statements and care plans		Summary of Key Actions
Level 1	8	MASH		Currently on EHCP	4	
Level 2	0			EHCP agreed		
Level 3	1	Early Help		EHCP application stage		EHCP interviews with new students ongoing
Level 4	1			EHCP yet to join school	3	

**UPDATED APRIL 2018**

Number of safeguarding cases currently dealing with		Number of cases referred to LA teams		Number of students with statements and care plans		Summary of Key Actions
Level 1	8	MASH	0	Currently on EHCP	4	
Level 2	0			EHCP agreed	-	
Level 3	1	Early Help	0	EHCP application stage	-	
Level 4	1			EHCP yet to join school	-	

## **South Bank Academies Trust**

### **Safeguarding Data**

A case conference was held for level 3 case in May 2018. Follow up meeting in June, where it is likely that the case will be closed.

A case conference and court hearing were held in May 2018 for the level 4 case. This case will continue to be at level 4.

No changes in main data. Level 1 cases will be reviewed in June.

	CONFIDENTIAL
Paper title:	Health & Safety schools' audit
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Sarah Kuria, Administration Officer for South Bank Academies
Purpose:	For information
Recommendation:	The Board is requested to note the report

## **Executive Summary**

At its meeting of 30<sup>th</sup> April 2018, the Audit Committee requested a health and safety audit of both schools.

The attached document outlines the scope and terms of reference for the audit that is due to be completed by the 6 July 2018.

The school principals are currently gathering the required documentation for the audit: the deadline for the submission of this documentation is 15 June 2018.

The results of the audit will be reported to the next meeting of the Audit Committee.

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## Scope and Terms of Reference

### Review of Health and Safety Compliance and Governance Arrangements at South Bank Engineering UTC and University Academy of Engineering South Bank.

#### **1.0 Purpose**

To provide assurance of the health and safety arrangements, including compliance and governance reporting in place at each of the above sites.

This will involve a review of supplied documentation, and potential follow up site visits. In addition, it will also comment on likely compliance with any wider Ofsted requirements where relevant to Health and Safety.

The resource for this project will be David Garioch, the LSBU Health and Safety Manager. Target completion allowing time for the sites to supply documentation is Friday, 6 July 2018.

#### **2.0 Commissioning and output**

This work has been commissioned by the CEO of South Bank Academies. The final output will comprise of an individual report for each school, to be supplied to the CEO of SBA, the School Principal and subsequently to the SBA Board of Governors.

#### **3.0 Request for Documentation**

Evidence of the following documentation is required and to be supplied no later than **Friday, 15 June, 2018**:

Details of any health and safety services procured from an external supplier, including the contract/contract review arrangements.

Dated and signed Health and Safety Policy.

Policies/procedures on:

- Risk Assessment
  - Control of Substances Hazardous to Health (COSHH)
  - Fire Safety
  - Use of machinery and lifting equipment in line with Provision and use of Work Equipment Working Regulations and Lifting Operations and Lifting Equipment Regulations
  - Working at Height
  - Accident Reporting
- 
- Selection and monitoring of contractors
  - Asbestos Register, for buildings older than 2000
  - Use of medicines

- Education visits
- Display Screen Equipment (DSE)
- Management of stress

Risk assessments for:

- Water (prevention of Legionella)
- Fire
- COSHH
- Use of machinery
- Visits
- Manual handling
- DSE
- Any other significant hazard

Wider documentation:

- Date of the last electrical installation test and if all category 1 and 2 issues have been resolved
- Details of PAT testing for electrical equipment
- How they are meeting the standards of BS 4163:2014 – Health and Safety for design and technology in educational and similar establishments. Code of practice
- Details of any Health and Safety Training
- Any accidents or incidents reported under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations
- Details of any Health and Safety Reports made to Senior Management and the Governing Body
- Details of the governance arrangements for considering Health and Safety including any associated committees, annual reporting or meetings under the Safety Representatives and Safety Committee Regulations and/or Health and Safety (Consultation with Employees) Regulations
- Any visits and reports made by any enforcement authority such as the Fire Brigade or Health and Safety Executive
- Any other documentation highlighting how Health and Safety is embedded, if appropriate.

This is not an exhaustive document list, but the provision of information on the above would give the Governing Body confidence on the current management of Health and Safety at the School.

If you have any questions or would like to speak to anyone regarding either request for information and the review of arrangements, please contact David Garioch on 020 7815 6213 or via email [gariochd@lsbu.ac.uk](mailto:gariochd@lsbu.ac.uk)

Documentation needs sending to Sarah Kuria at: [kurias@lsbu.ac.uk](mailto:kurias@lsbu.ac.uk) for consolidation.



	CONFIDENTIAL
Paper title:	Risk Register for South Bank Academies
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Interim CEO and School Principals
Purpose:	For information
Recommendation:	The Board is requested to note the report

## Executive Summary

The Risk Register update for May 2018 highlights the key risks for SBA MAT and the two schools, under six categories:

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

The register calculates the risk levels 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 formally each year: all current risks will be re-assessed and emergent risks will be added. There will also be updates during the year, with commentary to expound on these updates in the notes/comments column at the end of the document. Each school within the MAT will have its own Risk Register that is aligned to the schools' operations.

## **Significant changes since the last review:**

### **MAT**

- GDPR comes into effect. Schools need to adhere to compliance requirements
- Current review of governance led by company secretary and CEO
- Trust Business Manager being recruited
- Change in management. This covers RB (previous CEO) leaving, and NL becoming interim CEO

### **UTC**

- Internal audit of data ecosystem to be updated.
- LSBU-led audit of H&S scheduled
- Uncertainty over attrition rate - proportion of applicants who will enrol in September 2018. Three financial plan scenarios prepared.
- Progress on Student Outcomes

### **UAE**

- General Data Protection Regulation. The risk is high as the law became enforceable of 25th May. The MAT has engaged Judicium to provide comprehensive support in developing its response to GDPR.
- Rao Bhamidimarri 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 activity.
- Pupil outcomes. In order to improve this, teaching is now significantly better than in the previous three years. We have taken action to make significant improvements and will be investing heavily in intervention, including tutoring, in year 11 to improve the pupil outcomes from previous years.
- There have been a very high number of robberies where our students are the victims, around the school, particularly as they are going home. There have also, recently, been a number of stabbings in the proximity of the school, again as the students are making their way home. We are in communication with the Police about this. As an additional measure we will be employing staff to patrol outside the school from 3.40 to 5.30pm and particularly to provide safe access for the students to bus routes.

South Bank Academies  
Risk Register - MAT

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	Failure to meet new GDPR guidelines for storing and collating data in Trust and across schools.	Litigation, possible fines, loss to reputation.	2	3	6	Recruiting a Data protection officer in the UAE and the UTC to deliver appropriate training and ensure compliance. (external services).	3	Chair	N/A	Jun-18	Open	↓	GDPR comes into effect. Schools need to adhere to compliance requirements.
Compliance	Inadequate challenge and ineffective local governance for Trust and Schools.	Failure to achieve mission and objectives of the Trust. Poor decision making and information flow. Risk of one establishment not following Trust procedures.	2	2	4	Introduction of new governance model following DFE feedback and in consultation with LGB and SBA boards.	1	Chair	Mar-18	Jun-18	Open	↓	Current review of governance led by company secretary and CEO
Page 59 Compliance	UKVI regulations not met	Loss of licence, fines and/or prosecution.	3	3	9	An internal review being carried out of UKVI-related teacher recruitment in both schools. This will address any found non compliance and future training needs.	2	CEO	N/A	Jun-18	Open	↑	
Compliance	Failure to comply with ESFA and DFE guidelines.	Notice given on non performance, litigation, possible fines, loss to reputation.	1	3	3	Timely audit. Preparation & submission of annual report. Quarterly internal audit. Financial training.	3	CEO	Mar-18	Jun-18	Open	→	

Safeguarding	Safeguarding incident at any of the schools.	Risk to child/children, risk to reputation of Trust and/or schools, DFE and HSE intervention depending on seriousness of incident. Risk to Ofsted rating.	2	3	6	All schools employ the services of experienced staff with appropriate safeguarding qualifications. All staff and governors are given safeguarding and prevent training . All students and staff complete e-safety training and firewalls are in place to secure all ICT networks. Safeguarding regularly reviewed as part of governance.	4	CEO	Mar-18	Jun-18	Open	→	
Finance Page 60	Failure to meet internal/external financial targets and deadlines.	Late submission of budgets/accounts to ESFA, possible litigation, possible fines.	2	3	6	Employment of agency worker (Accountant) to ensure correct budgeting/accounting takes place. Budget timetables agreed and set to run alongside LGB and Audit committee meetings for review of budgeting process. Also help given from LSBU finance department.	3	CEO/CFO	N/A	Jun-18	Open	↓	
Finance	Poor financial performance by one or more of the schools.	A deficit or liabilities in one or more schools will affect the Trust financial viability and could have significant risk for finance and cash flow Leading to DfE letter.	2	3	6	Trust financial controls and procedures in place and communicated to all staff. Monthly Management accounts, Schedule of delegation, Budget monitoring by LGB and the Trust, Internal and External Audit. Regular reports to Trust members. Financial expertise at Operational and Trustee level. Staff training also in place.	3	CEO/CFO	Mar-18	Jun-18	Open	→	

<b>Staffing</b>	Change in personell affecting the running of the MAT.	Change destabilising the work with the schools, bringing confusion to the vision of the MAT,	2	3	6	Rigorous interview process, and working with LSBU teams such as governance and HR to ensure that the right person is in place. Internal supervisions to monitor performance. Strategy and structure meetings with principals and CFO.	3	CEO	N/A	Jun-18	Open	↑	Specifically Trust Business Manager Role. It will affect the financial and business side of the MAT.
<b>Pupils (Numbers)</b>	While overseeing student recruitment, failure to recruit target student numbers for both schools.	Reduction in pupil led income which could lead to cash flow or long term financial problems.	3	3	9	Careful budget setting, working on alternative scenarios for income, careful cost control, and budgeting to create surplus.	6	CEO/Principals	Mar-18	Jun-18	Open	→	
<b>Pupils</b> Page 61	Poor student outcomes in one or both schools.	Poor examination results could cause a reputational and financial risk due to poor student recruitment. Detrimental to student futures/careers.	2	3	6	Teaching and Learning constantly monitored and reported. Termly attainment reporting sent to management and pupils. Principal reports to local governing body. Practice Ofsted inspections and quality insurance visits.	3	CEO/Principals	Mar-18	Jun-18	Open	→	
<b>Infrastructure</b>	Failure to carry out the correct audit/review procedures to ensure building, maintenance, health and safety regulations are upheld in both schools.	Requirements are not met, danger to staff and students, could lead to loss of reputation and litigation.	1	2	3	Teams from LSBU being brought in to help carry out audits/reviews. Scoping documents drafted/being drafted. Meetings with principals set up.	2	CEO/Principals/TBM	N/A	Jun-18	Open	↓	
<b>Infrastructure</b>	Failure to safeguard schools or assets from theft or damage.	Damage to building and assets. Health and saftey risk to students and staff. Reputational damage and poor learning outcomes.	1	2	3	Adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment . Adequate insurance.	2	CEO/Principals/TBM	Mar-18	Jun-18	Open	→	

<b>Reputation</b>	Failure to uphold the values and visions of the Trust for its schools through change in leadership.	The schools lose original focus, students do not achieve well, loss of unity across MAT, value for money on current equipment supplied becomes void.	2	3	6	Previous CEO offering support and advice during transitional leadership. Interim CEO developing vision and scope and management meetings held with acting CEO and principals of both schools to ensure smooth transition.	3	CEO	N/A	Jun-18	Open	↓	We have had a change in management personell (The CEO of SBA). April 2018
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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

Area	Risk	Impact description	Probability assessment	Impact assessment	Current risk level	Mitigating actions	Previous Risk level	Owner	Last reviewed	Date for next review	Status	Change	Notes
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. Ofsted outcomes below good.	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	May-18	Jul-18	Open	→	Governance review complete including feedback. Internal actions to be completed.
Compliance	UTC not ready for GDPR requirements coming into force on May 25th	Potential fines for non-compliance	2	2	4	Policy updated and published. Online training undertaken by SLT; audit taking place internally; securing services of external Data Controller - interim by Principal	4	Trust	May-18	Jul-18	Open	→	Internal audit of data ecosystem to be updated.
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. Site supervisor to be appointed.	3	Principal	Apr-18	Jul-18	Open	→	LSBU-led audit of H&S scheduled
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/pastoral managers 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	May-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.	6	CFO/CEO	May-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. Recent meeting with DfE helpful in relation to securing employer commitment.
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	May-18	Jul-18	Open	→	Strong recruitment for 2018-19 with physics, chemistry and engineering vacancies filled; front desk officer recruited.
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.	1	3	6	Strong internal systems; management monitoring and support; staff development programme. Strategies to retain strong staff and move on underperformers	6	Principal	May-18	Jul-18	Open	→	N/A
Pupils	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 in trust and UTC marketing capacity & delivery and effective admissions processes. Interviews and 'keep warm' events. Monthly monitoring of student numbers. Work with secondary schools and other partners. Strong recruitment of current UTC Y11 into Y12.	9	Principal	May-18	Jul-18	Open	→	Uncertainty over attrition rate - proportion of applicants who will enrol in September 2018. Three financial plan scenarios prepared.
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	May-18	Jul-18	Open	→	Progress 8 professional prediction +0.29
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.	4	Principal/Trust Business Manager	May-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.	4	Principal	May-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	May-18	Jul-18	Open	→	N/A

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

3 high	3	6	9
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- Key - Areas
- Compliance
- Safeguarding
- Finance
- Staffing
- Pupil Levels
- Infrastructure
- Reputation



**South Bank Academies  
Risk Register - Academy**

Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Residual Risk	Owner	Last reviewed	Date for next review	Status	Change	Notes/Comments
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		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	↑	General Data Protection Regulation. The trust has engaged Judicium to provide comprehensive support in developing its response to GDPR. The risk is high as the law became enforceable of 25 <sup>th</sup> May.
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 fire drills are in place to secure all ICT networks.	6	Principal	Apr-18		Open	↑	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 activity.
Finance	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	CFD/CEO	Dec-17		Open	→	
Staffing	Failure to recruit key teaching and support staff posts. Inadequate capacity to review quality of 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 year 7.	Reduction in pupil led income which could lead to cash flow or long term financial problems. Potential damage to the Academics 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 year 12.	Reduction in pupil led income which could lead to cash flow or long term financial problems. Potential damage to the Academics 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 future/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.	6	Principal	Apr-18		Open	↑	Pupil outcomes. Teaching is now significantly better than it has been in the previous three years. We have taken action to make significant improvements and will be investing heavily in intervention, including tutoring, in year 11.
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.	2	3	6	Academy has a Critical Incident plan which is regularly assessed listing a delegation of duties in the event of an emergency situation.	6	Principal/CEO	Apr-18		Open	↑	There have been a very high number of robberies where our students are the victims, around the school, particularly as they are going home. There have also, recently, been a number of stabbings in the proximity of the school, again as the students are making their way home. We are in communication with the Police about this. As an additional measure we will be employing staff to patrol outside the school from 3.40 to 5.30pm and particularly to provide safe access for the students to bus routes.

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

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	CONFIDENTIAL
Paper title:	Speak Up report
Board/Committee:	SBA Audit Committee
Date of meeting:	21 June 2018
Author:	Michael Broadway, Company Secretary
Purpose:	For information
Recommendation:	The Board is requested to note the 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 was referred to the Interim CEO, in the first instance.

An investigation is now being led by the Interim CEO, supported by a HR Case Officer provided by LSBU, which is expected to conclude by the end of June. However, it has been determined that, although reported via the Safecall service and Speak Up policy, the matter is a grievance issue. The investigation will therefore be conducted under the MAT's grievance procedure.

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	CONFIDENTIAL
Paper title:	Anti Fraud, Bribery and Corruption Report
Board/Committee	South Bank Academies Audit Committee
Date of meeting:	21 June 2018
Author:	Natalie Ferer, University Financial Controller
Purpose:	To alert Audit Committee to any instances of fraud, bribery or corruption arising in the period since the committee last met
Recommendation:	The committee is asked to note the report

## **Summary**

Since the last meeting no instances of fraud, bribery and corruption have been identified or reported.

There was one instance of a breach in financial regulations that took place in the Academy and an investigation was conducted. The Investigation found that computer equipment with a total value of £35,000 was ordered without first obtaining 3 quotations and where purchase orders, signed by John Taylor, exceeded his level of delegated authority. There was no evidence of fraud and so the fraud response plan was not invoked.

Measures have been put in place to reduce the risk of this breach happening in the future including reminding staff involved of financial controls around purchasing and delegated authorities and clarification of procedures around ordering IT and other equipment.

## **Recommendation**

The Committee is asked to note the report.

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