

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

Present

Richard Flatman (Chair)
Adam Crossley
Tony Giddings

Apologies

In attendance

Rao Bhamidimarri
Michael Broadway
Joe Kelly
Natalie Ferer

1. Welcome and apologies

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

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

2. Declarations of interest

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

3. Minutes of previous meeting

The committee approved the minutes of the meetings held on:

- 6 July 2017
- 12 January 2018

4. Matters arising

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

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

5. **External audit report - actions update**

The committee discussed the external audit actions update.

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

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

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

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

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

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

6. **Internal audit update and plan**

The committee discussed the internal audit update and plan.

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

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

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

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

7. Finance system action plan update

The committee discussed the finance system action plan update.

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

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

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

8. Financial controls policy update

The committee discussed the financial controls policy update.

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

Tony Giddings left the meeting.

9. Safeguarding report

The committee discussed the Safeguarding report.

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

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

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

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

10. **Risk registers**

The committee noted the MAT and schools' risk registers.

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

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

12. **Speak up report**

The committee noted the speak up report.

13. **Any other business**

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

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

**Date of next meeting
April 2018 - tbc**

Confirmed as a true record

..... (Chair)