

Meeting of the South Bank Academies Board

4.00 pm on Thursday, 5 December 2019
in South Bank Engineering UTC, 56 Brixton Hill SW2 1QS

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
6.	Education update	3 - 8	DC
12.	External audit letter of representation	9 - 14	HA
16.	Corporate risk update	15 - 26	HA

Date of next meeting
4.00 pm on Thursday, 26 March 2020

Members: Richard Flatman (Vice-Chair), Hitesh Tailor (Chair), Tony Giddings, Nicole Louis, Hilary McCallion, Fiona Morey, Lesley Morrison and David Phoenix

Apologies: Chris Mallaband

In attendance: Helena Abrahams, Michael Broadway, Dan Cundy, Alexander Enibe, Natalie Ferer and Om Parkash

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**South
Bank
UTC**

Term Dates/Work hours Proposal

Alter term dates to be more in line with industry norms for directed time and total hours of teaching delivered. By changing term dates we can fall in line with UTC, college and private school norms for term dates and elevate our attractiveness as a place of work in a hugely competitive market. Making use of opportunity to attract staff and consider staff well being whilst having a positive impact on student outcomes.



South
Bank
UTC

Direct Time Consideration

UTC currently directs **1711** hours of staff time
Compared to the **1265** union agreed industry norm
This is **446 hours above**

More directed hours doesn't
lead to higher quality work or
student outcomes

Whilst we are not obliged to stay within the 1265 we are **35% or 54 working days
over** the standards set by LA schools.

A focus on outcomes and quality
of T & L more important. Less
directed time will lead to more
time for planning and marking
and feedback which sits outside
directed time

Directed time is all the time that staff are contracted to be at the UTC and should include lessons, some PPA time and supervision, meeting, training and other events. Marking and Planning should not come out of this time.



**South
Bank
UTC**

Working Day

Part of the UTC vision is to provide a longer working day in line with a standard industry day. However this requires balance with the flexibility of the modern work place and balancing with the recruitment landscape (of teaching staff).

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We would like us to consider the following:

1. Keep the extended school day (8:30am to 4pm) with students receiving in excess of 6 hours teaching per day (5 hours is standard for schools)
2. Not direct staff time after 4.15pm (therefore reducing by 146.25 hours)
3. Extend holidays to reflect extended day and learning hours (20 additional days holiday, 160 hours)
4. Build high value student experiences (Work Experience, interventions) into 'holiday' time
5. Less working days (in line with norms for private schools)



**South
Bank
UTC**

Extend holiday Dates

Proposal

1. Start earlier: 24th August (Induction, quick start to term, no time to lose)
2. 2 week October half term (Time to moderate, reading week, WEX opportunity)
3. 3 Week Christmas break: (Staff and Student well being, Avoids key absentee weeks, In line with private sector and colleges)
4. Early break up for summer holidays: July 2nd (Staff recruitment tool, Student WEX opportunity, Least productive time of year due to end of exams)

See proposed date excel sheet



**South
Bank
UTC**

Benefits

- Staff are working weeks that have most impact on students outcomes (early start in August)
- Staff working closer to optimum capacity due to carefully considered holiday times (At their best not tired, anticipated reduction in absenteeism)
- Extended UTC day retained
- Flexibility for teachers to mark and plan away from the UTC built in
- Total lesson time higher at UTC than mainstream school over whole year (1170 hours VS 975)
- Staff recruitment and retention significantly boosted with holiday incentives, we would significantly stand out from other state schools and therefore attract staff
- Staff well-being and work load issues addressed
- Students have built in flexibility for WEX and employer opportunities are to take place outside of term time
- Early break up for summer happens at least productive time for a UTC with over 50% of students finishing at end of exams

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	INTERNAL
Paper title:	Letter of Representation
Board/Committee	SBA Board meeting
Date of meeting:	4 December 2019
Author:	Moore Kingston Smith
Purpose:	To present the Letter of Representations, relating to the audit of the accounts for the South Bank Academies Trust. To be signed by the Chair of the Board at the December Board meeting.
Recommendation:	The Board is requested to approve the attached letter of representation and to be signed by the Chair of the Board

Summary:

The Letter of Representation requires the Board to give specific assurances to the auditors, Moore Kingston Smith, over matters regarding the financial statements and the year end audit. It should be signed by the Chair of the Board at the time of signing the accounts. The attached draft letter contains the following items specific to the Academies Trust, with all other items being standard representations:

- Point 7 – This refers to material transactions as opposed to all transactions
- Point 8 – This has been expanded to refer to donated services and South Bank University
- Point 9 - This has been included to capture the transactions with South Bank University which have been disclosed within the related party note of the accounts and that the Trust believes the transactions have taken place at arm's length
- Point 14 – seeks further confirmation that we have provided all the information the auditors need in respect to the notional rent for South Bank Engineering UTC
- Point 16 – the auditors have asked for the trust to confirm the accrual of £213k for light and heat is valid based on the information available to us at the time of signing this letter.
- Point 29 – The point has been expanded to take note of the additional wording relating to the Regularity audit report in the financial statements

Recommendation:

The Board is requested to approve the attached letters of representation and to be signed by the Chair of the Board.

Attachments:

Letter of representation

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LETTER OF REPRESENTATION
TO BE PRINTED ON HEADED PAPER

Moore Kingston Smith LLP
Chartered Accountants
Devonshire House
60 Goswell Road
London
EC1M 7AD

Dear Sirs,

We confirm to the best of our knowledge and belief the following representations given to you in connection with your audit of the company's financial statements for the year ended 31 August 2019. We confirm that they are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you.

General

- 1) We acknowledge our responsibility for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable us to ensure that the financial statements comply with the Companies Act 2006 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).
- 2) We acknowledge our responsibility for preparing financial statements in accordance with the Companies Act 2006, the Academies Accounts Direction 2018 to 2019 issued by the ESFA and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice/UK GAAP), including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' and are satisfied that the financial statements give a true and fair view.
- 3) We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud and error in safeguarding the assets of the Academy Trust.
- 4) We confirm that the accounting policies selected are suitable to the Academy Trust's circumstances and that they have been applied consistently; that any judgements and estimates made are reasonable and prudent; and that it is appropriate to prepare the financial statements on a going concern basis.
- 5) We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.

Information Provided

- 6) We have provided you with:
 - a) Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) We have disclosed to you the identity of all of the entity's related parties, related party relationships and transactions, and any services donated of which we are aware, including those with South Bank University.
- 9) We have disclosed to you all the transactions undertaken by LSBU on behalf of the academy trust, financial and otherwise.

Assets and Liabilities

- 10) All known assets and liabilities as at the balance sheet date have been included in the financial statements.
- 11) We confirm the Academy Trust has satisfactory title to all assets and there are no liens or encumbrances on the Academy Trust's assets except those disclosed within the financial statements.
- 12) We confirm that the financial statements disclose appropriately all liabilities, actual and contingent, and have disclosed all guarantees given to third parties.
- 13) The value and classification of assets and liabilities in the financial statements is not materially affected by management's plans and intentions
- 14) We confirm that there is no notional rent to be disclosed in respect of the premises from which South Bank Engineering UTC was operating during the year.
- 15) We confirm that the financial statements disclose appropriately all liabilities, actual and contingent, and have disclosed all guarantees given to third parties.
- 16) We confirm the accrual for light and heat of £212,517 is a valid liability and is the best estimate based on the information available at the time of signing the accounts.
- 17) We confirm that no clawbacks are expected and therefore no adjustment has been made in the financial statements in respect of clawbacks
- 18) The value and classification of assets and liabilities in the financial statements is not materially affected by management's plans and intentions.
- 19) We confirm that the actuarial assumptions used by the actuaries Aon Hewitt Limited and Hymans Robertson LLP in calculating the actuarial movements, and fair values of the assets and liabilities of the local government defined benefit pension schemes are consistent with our knowledge of the trust.

Transactions Involving Directors and Connected Persons

- 20) We confirm that there are no transactions with, or on behalf of, the directors or their associates, or contracts in which the directors or their associates have an interest, which are required to be disclosed in the financial statements under the provisions of the Companies Act 2006 other than those detailed in the notes to the financial statements.

Fraud

- 21) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 22) We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involve management, employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements.
- 23) We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Contingent Liabilities

- 24) Provision has been made where a material loss is expected to result from any litigation or claim against the Academy Trust. Other contingent liabilities at the balance sheet date, none of which are expected to result in a material loss to the Academy Trust or in commitments which it cannot meet, have been disclosed in the financial statements.

Going Concern & Future Cash Requirements

- 25) In our opinion the Academy Trust will have adequate cash resources available to finance its trading and meet its obligations during the course of the twelve months following the date of approval of the financial statements. Accordingly, the financial statements have been drawn up on a going concern basis.

Post Balance Sheet Events

- 26) All events subsequent to the date of the financial statements and for which the financial statements require adjustment or disclosure have been adjusted or disclosed.

Data Protection Act

- 27) We confirm that the Academy Trust complied with the statutory requirements of the Data Protection Act during the year.

Laws and regulations

- 28) We confirm that we have disclosed to you all those events which we are aware of which involve actual or possible non compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

Other Regulatory Regimes

- 29) We confirm that the academy was in compliance with the Companies Act 2006 during the period and that we are not aware of any breaches or other matters that should be brought to your attention.
- 30) We confirm that the academy was in compliance with the rules of the ESFA on all other matters except for those disclosed in the regularity report.

Regularity, Propriety and Compliance

- 31) We acknowledge and have fulfilled our responsibility for ensuring that income and expenditure are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them.

- 32) We confirm that we have disclosed all events of which we are aware which involve any actual or potential non-compliance with the framework of authorities including:
 - a) The funding agreement with the Secretary of State for Education;
 - b) The Academies Financial Handbook 2019;
 - c) Company law and Charity law;
 - d) Specific terms and conditions of income received.

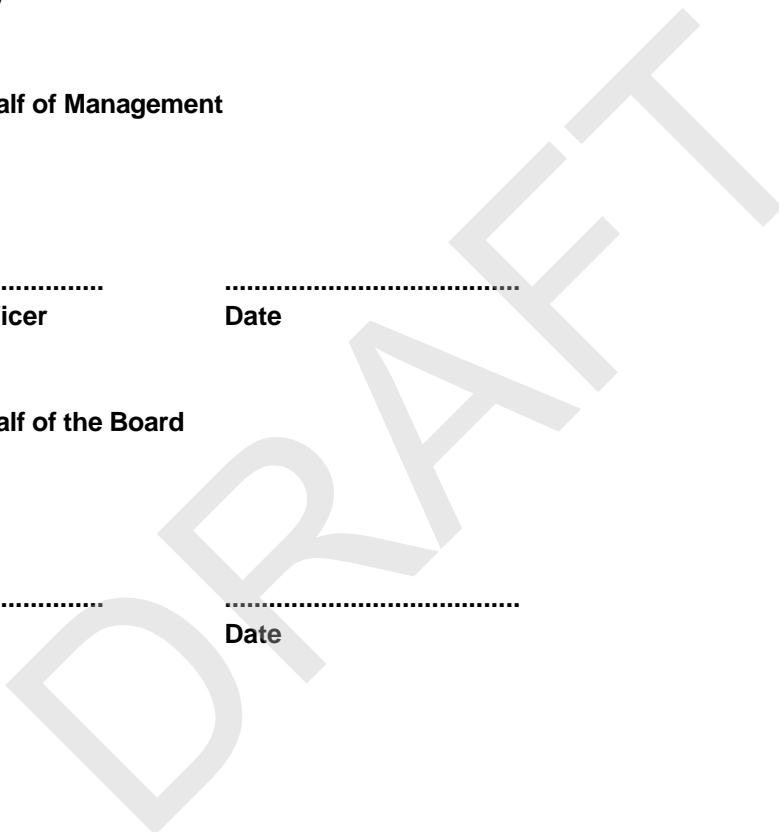
Yours faithfully

For and on behalf of Management

.....
Accounting Officer **Date**

For and on behalf of the Board

.....
Trustee **Date**



	CONFIDENTIAL
Paper title:	MAT Risk Register
Board/Committee:	South Bank Academies Board
Date of meeting:	05 December 2019
Author(s):	Dan Cundy , Trust Business Manager
Sponsor(s):	Fiona Morey, CEO of the South Bank Academies
Purpose:	Approve
Recommendation:	To review updates to risk registers

Executive Summary

The Board is requested to note the changes to the MAT, UAE and UTC risk registers and review the MAT risk register.

Risk registers are being reviewed with Richard Duke, Director of Strategy and Planning, in order to establish a risk appetite document in line with group practice.

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Risk Update Summary: December 2019

MAT – Risks that are reducing/changing

Risk No.	Risk Description	Previous Risk Rating	Updated Risk Rating	Direction of Travel	Further Notes
14	Failure to ensure that Goods and Services are purchased in line with Financial Regulations and that Suppliers are paid in a timely and efficient manner	6	3	↓	Probability has been reduced from 2 to 1
15	Failure to ensure that a comprehensive, up-to-date list of Suppliers to the School is maintained	4	2	↓	Probability has been reduced from 2 to 1
21	Changes in personnel/ high turnover of staff creating instability in operations at the Trust	6	3	↓	Probability has been reduced from 2 to 1
28	Failure to safeguard the Trusts' and its Schools' assets from theft or damage	6	2	↓	Probability has been reduced from 2 to 1
29	Failure to carry out the correct audit/review procedures to ensure building, maintenance, health and safety regulations are upheld in both schools	6	4	↓	Probability has been reduced from 3 to 2

MAT – Risks that are still high

Risk No.	Risk Description	Previous Risk Rating	Updated Risk Rating	Direction of Travel	Further Notes
18	Poor Financial performance by one or more of the schools	6	6	→	This risk continues to be high
24	Failure to meet GDPR guidelines for storing and collating data in the Trust and its Schools	6	6	→	This risk continues to be high

UAE – Risks that are reducing/changing

Risk No.	Risk Description	Previous Risk Rating	Updated Risk Rating	Direction of Travel	Further Notes
3	Poor Student outcomes	6	4	↓	Probability has been reduced from 3 to 2
9	Failure of the School to recruit Governors who have the appropriate profile	4	2	↓	Probability has been reduced from 2 to 1
11	Failure of The Academy and the Local Advisory Board to have procedures in place to cover the absence of the Principal or other members of the Senior Leadership Team	4	2	↓	Probability has been reduced from 2 to 1
23	Failure to ensure the Financial reporting requirements of the School are met	6	4	↓	Probability has been reduced from 3 to 2

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UAE – Risks that are still high

Risk No.	Risk Description	Previous Risk Rating	Updated Risk Rating	Direction of Travel	Further Notes
13	Safeguarding incident at one of the schools.	6	6	→	This risk continues to be high
18	Staff Recruited to the Schools have the required skills and expertise to meet the strategic objectives of the School.	6	6	→	This risk continues to be high
19	Failure to recruit key teaching and support staff posts. Inadequate competency of staff within the School.	6	6	→	This risk continues to be high

UTC – Risks that are reducing/changing

Risk No.	Risk Description	Previous Risk Rating	Updated Risk Rating	Direction of Travel	Further Notes
14	Failure to ensure that the quality of Management information produced by the UTC is of a high quality, timely and aids decision-making	4	2	↓	Probability has been reduced from 2 to 1
15	Failure to ensure that the quantity of Management Information produced by the UTC is good enough to aid decision making	4	2	↓	Probability has been reduced from 2 to 1
28	Inadequate level of expertise and challenge on Local Governing Body leading to ineffective local governance.	3	3	→	Probability has gone from 3 to 1 Impact has gone from 1 to 3

UTC – Risks that are still high

Risk No.	Risk Description	Previous Risk Rating	Updated Risk Rating	Direction of Travel	Further Notes
1	Failure of the UTC to recruit sufficient learners especially in Y710 and Y12 to make it viable	6	6	→	This risk continues to be high
3	Poor Student outcomes	6	6	→	This risk continues to be high
13	Safeguarding incident at one of the UTCs.	6	6	→	This risk continues to be high
17	Failure to ensure the managers of the UTC possess the skills and experience required to manage the UTC	6	6	→	This risk continues to be high

19	Failure to recruit key teaching and support staff posts. Inadequate competency of staff within the UTC.	6	6	→	This risk continues to be high
23	Failure to ensure the Financial reporting requirements of the UTC are met	6	6	→	This risk continues to be high

South Bank Academies MAT
Financial Risk

Risk No	Risk Description	Risk consequences	Impact	Probability	Overall Risk Rating	Existing Internal Controls and Evidence	Residual Risk Level	Assessment of Control Quality / Action Needed (Strong, Moderate, Weak)	Person Responsible	Direction of Travel	Next Review Date
1	Overspend budget, caused by weak expenditure management	Lack of funding to carry out educational and business objectives Inability to recruit experienced, quality staff to achieve educational objectives re-brokering of Schools in the Academies Trust through poor financial management and continual annual deficits Risk to LSBU reputation as the Academies Trust sponsor Ris of receiving a Financial Notice to improve and los of freedoms to manage own funding through its budgets,. Insufficient funds to meet educational objectives Inability to meet external requirements as stipulated in the Academies Financial Handbook 2018 and other agencies Serious cash flow issues making financial management of funds difficult	2	2	4	Strong strategic plan of action Annual budget setting using computerized software Regular meetings of Board and Audit and Risk Committee with oversight of the Trust's finances Regular internal and external audits to ensure compliance and best practice. Regular review with Business Support Officers in the Trust with additional in-house training. Monthly management accounts prepared by the LSBU FA, Trust Finance Manager and Trust Business Manager Regular Exective Team meetings where financial performance is discussed	2	Strong	Chief Executive Financial Controller Trust Business Manager	→	Sep-19
2	Overspend budget, caused by poor budgeting	See Above	3	1	3	Computerized budgeting software Oversight by LSBU Financial Controller and LSBU Financial Accountant Regular, monthly review by the Trust Business Manager, Executive Principal and Chief Executive. Regular meetings with School Principals Regular updates and training to the Business Support Officers.	2	Moderate/Weak	Chief Executive Financial Controller Trust Business Manager	→	Sep-19
3	Received less income than budgeted, caused by poor budgeting	See Above	3	1	3	See above	2	Moderate/Weak	Chief Executive Financial Controller Executive Principal Trust Business Manager	↓	Sep-19
4	Overspend on capital scheme:	Unplanned reduction on reserves or income through insufficient budgeting or planning Serious impact on cash flow management Insufficient funds to carry out educational and operational objectives Inappropriate capital works which don't reflect the teaching and learning requirements of the Trust or its schools.	1	1	1	Centralised management of the Capital Claims budget delegated by the ESFA Capital Expenditure process in place, channelled through School Advisory Boards to the SBA Board Oversight by the Trust Business Manager of the Capital Claims expenditure and the Capital Expenditure programs. Scheme of Delegation and Financial Regulations and Policy in place, detailing capex authorisations limits.	0	Strong	Chief Executive Financial Controller Executive Principal Trust Business Manager	↓	Sep-19
5	Short term cash shortages	Inability to meet liabilities Unable to pay school salaries or other costs in a timely and efficient manner Inability to remain a going concern"	1	1	1	Suitable reserves in line with the requirements of the Academies Financial Handbook, Articles of Association and Agreement with the Secretary of State for Education Regular updated cash flow management with spot cash flows Regular review of bank accounts, reserves and operating balances	0	Strong	Chief Executive Financial Controller Trust Business Manager Finance Officers	↓	Sep-19

6	Long term cash shortages – insufficient reserves	Lack of funding to carry out educational and business objectives Inability to recruit experienced, quality staff to achieve educational objectives re-brokering of Schools in the Academies Trust through poor financial management and continual annual deficits Risk to LSBU reputation as the Academies Trust sponsor Ris of receiving a Financial Notice to improve and los of freedoms to manage own funding through its budgets,. Insufficient funds to meet educational objectives Inability to meet external requirements as stipulated in the Academies Financial Handbook 2018 and other agencies Serious cash flow issues making financial management of funds difficult	1	1	1	Trust currently has a strong cash flow surplus position for 18-19. Suitable level of reserves in place at 19% Regular monitoring of income and expenditure Prudent planning and stafing, recruitment practices Review of salary scales and teacher pay awards Regular monitoring of Bank Account levels Regular cash flow monitoring	0	Strong	Chief Executive Financial Controller Trust Business Manager	↓	Sep-19
7	Improper or irregular use of funds	Lack of funding to carry out educational and business objectives Inability to recruit experienced, quality staff to achieve educational objectives re-brokering of Schools in the Academies Trust through poor financial management and continual annual deficits Risk to LSBU reputation as the Academies Trust sponsor Ris of receiving a Financial Notice to improve and los of freedoms to manage own funding through its budgets,. Insufficient funds to meet educational objectives Inability to meet external requirements as stipulated in the Academies Financial Handbook 2018 and other agencies Serious cash flow issues making financial management of funds difficult	2	1	2	SBA Financia Regualtions and Procedures in place, regularly updated Scheme of Delegation in place Internal Controls subject to regular scrutiny by auditors Internal audits Expenditure authorisation process clear. Experienced Senior Leaders with in-dpeth experience of the Academies Financial Handbook and principles of fund accounting AO and CFO familiar with AFH and updates.	1	Moderate	Chief Executive Financial Controller Executive Principal Trust Business Manager Finance Officers	↓	Sep-19
8	Errors in accounts caused by inadequately skilled or inexperienced finance staff	Non production of a clean set of accounts Inaccurate information on which to base business and educational decisions Loss of oversight and prudent management of Trust finances Instability in the nature of the Trust as a result of poor financial management	3	1	3	Experienced, stable Finance Team with proven qualifications and experience in place. Access to advice and expertise from Sponsor	2	Weak	Chief Executive Financial Controller Executive Principal Trust Business Manager Finance Officers	↓	Sep-19
9	Loss caused by lack of security over assets including cash	Inability to carry on operating as a business or meet educational objectives Increased cost of replacing assets Potential Reduction in cash flow creating difficulties in meeting liabilities Large capital replacement expenditure	3	1	3	Asset Register in place and updated to ensure full information is kept Asset Management Plan in place which is used to plan, control and review assets and whether they are fit for purpose Strong security measure in place to ensure no loss of assets Reporting to SBA Board and Audit and Risk Committee Appropriate and effective security levels for processing and storing cash that is collected	2	Moderate	Chief Executive Financial Controller Executive Principal Trust Business Manager	↓	Sep-19
10	Fraudulent payments to suppliers	Overpayments to suppliers unrecoverable payments and ongoing disputes Reduction in confidence of the Finance Team.	3	1	3	Annual review of effectiveness of internal controls Expenditure authorisation procedures Systems under constant review Internal and external auditors Oversight by LSBU Financial controller Oversight by the Trust Business Manager	2	Moderate	Chief Executive Financial Controller Executive Principal Trust Business Manager Finance Officers	↓	Sep-19
11	Fraudulent payments to staff	Loss of confidence of Sponsor in SBA management of finance. Loss of income Risk of reporting Fraud to ESFA and losing freedom to manage own finances as guardians of public funds	2	1	2	SBA Scheme of Financial Regulations and Policy in place Trained staff in Compliance and Fraud Authorisation limits in place and reviewed regularly Robust procedure in place for monthly payroll sign off and review Staffing salaries and expenditure under constant review	1	Strong	Chief Executive Financial Controller Executive Principal School Principal Trust Business Manager	↓	Sep-19

12	Insufficient insurance cover	Irreparable damage or loss to Trust Assets Hinderance in achieving educational and business objectives Risk of prosecution for not insufficient insurance cover for legal requirements such as employers' liability Loss of reputation as a good employer Risk of litigation	2	1	2	Annual review of insurance arrangements by Trust Business Manager, Executive Principle and CEO Review by external providers Benchmarking with other Academies and Trusts Member of the Governments RPA Insurance scheme especially designed to meet the needs of UK Schools.	1	Strong	Chief Executive Financial Controller Trust Business Manager	→	Sep-19
13	Failure to ensure that the income due to the school is collected in a timely and efficient manner and fully reconciled as per financial regulations	Loss of income Inability to meet educational and business objectives reduction in cash flow and reserves bility to meet liabilities Increasing debts Inability to meet liabilities or staff salaries	2	2	4	Month end reporting reviews income and ensure it is at the correct level Review and use of Remittance and Payment Schedule Aged debtors are sent statement reminders while all income is cross referenced on the cash flow Experienced TBM with Education Experience and knowledge of Schools Funding Trust Business Manager with LSBU Financial Accounts monitors all income regularly LSBU Financial Accountant performs all Bank and control account reconciliations	3	Moderate	Chief Executive Financial Controller Executive Principal Trust Business Manager Finance Officers	→	Sep-19
14	Failure to ensure that Goods and Services are purchased in line with Financial Regulations and that Suppliers are paid in a timely and efficient manner	Risk of fraud Inability to manage cash flow sufficiently Mis-reporting of monthly management accounts	3	1	3	Monthly reports from the School Financial regulations awareness, Internal Controls operated by the Trust at School wide level BACS Payment system used by the School Effective Internal and External Audit Use of Month End Checklists	2	Weak/Moderate	Chief Executive Financial Controller Executive Principal Trust Business Manager Finance Officers	↓	Sep-19
15	Failure to ensure that a comprehensive, up-to-date list of Suppliers to the School is maintained	Loss of oversight of accounts and procurement Risk of fraudulent payment to supplier Procurement difficulties arising from poor supplier account management Risk of overpayment of suppliers	2	1	2	Financial Regulations awareness Internal Controls operated by the School Finance Team Effective Internal and External Audit Oversight by the Trust Business Manager Oversight by the LSBU Financial Controller	1	Strong/Moderate	Chief Executive Financial Controller Executive Principal School Principal Trust Business Manager Finance Officers	↓	Sep-19
16	Changes to funding via Government Policy	Reduction in funding for student numbers Risks to the Trust as a going concern as required by Companies House and SORP	3	1	3	Monitoring of Government policy Long term forecasts monitored by LAB Financial expertise at Operational and Board level.	2	Moderate	Chief Executive Financial Controller Trust Business Manager	↓	Sep-19
17	Failure to meet internal/ external financial targets and deadlines	Late submission of budgets/accounts to ESFA, possible litigation, possible fines	1	3	3	Email reminders from ESFA Experiences TBM Published annual cycle SBM Networking	2	Strong	Chief Executive Financial Controller Trust Business Manager	→	Sep-19
18	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 DIE letter.	3	2	6	Computerised budgeting software Prudent financial planning 3-5 year forecast planning Sufficient reserves Planned budget surplus for each Academy Marketing program in place for the UTC New marketing appointment for the UTC	3	Moderate	Chief Executive Financial Controller Executive Principal School Principal Trust Business Manager	↓	Sep-19

South Bank Academies MAT
Strategic and Reputational Risk

Risk No	Risk Description	Risk consequences	Impact	Probability	Overall Risk Rating	Existing Internal Controls and Evidence	Residual Risk Level	Assessment of Control Quality / Action Needed	Person Responsible	Direction of Travel	Next Review Date
19	Changes in Leadership creating an instability in strategy, vision and values across the Trust and its Schools.	Lack of experience in education and leadership Frequent churn of senior leaders giving poor direction and vision Low morale Low staff performance Poor examination results	3	1	3	Appointment of experiences Executive Principal Creation and development of middle leaders Training as an Ofsted inspector Experienced SLT Effective Governor oversight	2	Strong	Chief Executive Executive Principal	↓	

20	Failure to ensure that up-to-date information regarding the legislation relating to charities is maintained and kept updated by Trust Business Manager	Risk that legislative requirements are not known or complied with Financial risk Risk that the Governing Body are not aware of their legislative obligations	2	1	2	LSBU Clerk to the Local Advisory Bodies Networking Groups EFA Updates School website Professional bodies The Key PWC Internal Auditor Kingston Smith External Auditor	1	Strong	Chief Executive Executive Principal Trust Business Manager Financial Controller	↓	
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South Bank Academies MAT
Operational Risk

Risk No	Risk Description	Risk consequences	Impact	Probability	Overall Risk Rating	Existing Internal Controls and Evidence	Residual Risk Level	Assessment of Control Quality / Action Needed (Strong, Moderate, Weak)	Person Responsible	Direction of Travel	Next Review Date
21	Changes in personell/ high turnover of staff creating instability in operations at the Trust	Lack of oversight of accounts, processes and procedures Poor year end Inaccurate financial reporting Risk of receiving Qualified Accounts Non-compliance	3	1	3	Experienced TBM in financial management Experienced Financial Controller oversight Financial policies and procedures in place Trust HR Manager in place	2	Moderate	SBA Board Chief Executive Officer Executive Principal Principals Trust Business Manager	↓	
22	Failure of the School to produce open and regular management accounts	School receives a set of qualified accounts from its annual audit. Year-end doesn't run smoothly High Management Letter ratings as a result of internal and external audit Fines from the ESFA Potential Financial Notice to Improve Potential loss of freedoms to manage delegated finances	3	1	3	Monthly Management Accounts Budget monitoring reports Regular reporting to the Audit Committee and SBA Board Effective internal and external audits Oversight by Sponsor LSBU of finances Awareness of ESFA Academies Financial Handbook 2018 and regulations Annually updated SBA Financial Regulations and Procedures presented to Audit Committee for oversight and approval Delegated Letter of Authority	2	Moderate/Weak	SBA Board Chief Executive Officer Executive Principal Principals Trust Business Manager	↓	
23	Safeguarding incident at any of the Schools	Risk to child/children, risk to reputation of the Trust and/or its Schools, DfE and HSE intervention depending on seriousness of incident. Risk to Ofsted rating.	3	1	3	Safeguarding policy and training in place Experienced SLT in safeguarding issues Regular training and update to all staff Safeguarding policy and procedures in place followed by Staff Staff awareness of reporting procedures and responsibilities for any safeguarding issues	2	Strong	Executive Principal Principal SLT Governors Staff	→	

South Bank Academies MAT
Compliance Risk

Risk No	Risk Description	Risk consequences	Impact	Probability	Overall Risk Rating	Existing Internal Controls and Evidence	Residual Risk Level	Assessment of Control Quality / Action Needed (Strong, Moderate, Weak)	Person Responsible	Direction of Travel	Next Review Date
24	Failure to meet GDPR guidelines for storing and collating data in the Trust and its Schools	Litigation, possible fines, loss to reputation	3	2	6	Outsourced GDPR oversight by Judicium Regular GDPR compliance audits across the SBA Trust	3	Strong/Moderate	Chief Executive Executive Principal School Principal	→	Sep-19
25	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 to one establishment not following trust procedure	3	1	3	Local advisory boards and link Governors SBA Board oversight Experienced Executive Principal with extensive education background Chief Executive oversight	2	Moderate	SBA Board Chief Executive Executive Principal	↓	Sep-19

26	UKVI regulations not met	Loss of licence, fines and/or prosecution	2	1	2	Experienced Trust HR Manager in place Trust Business Manager Experienced Chief Executive and Executive Principal Effective computer systems for tracking personell Effective recruitment procedures	1	Strong	Chief Executive Executive Principal School Principal HR Manager	↓	Sep-19
27	Failure to comply with ESFA a	Notice given on non-performance, litigation, possible fines, loss to reputation, makes recruiting students more challenging.	3	1	3	See above	2	Strong	Chief Executive Executive Principal School Principal Trust Business Manager	↓	Sep-19
28	Failure to safeguard the Trusts' and its Schools' assets from theft or damage	Health and safety risk to students and staff Increased premises costs Increased costs for asset management plan on limited budget Need to transfer costs from limited reserves	2	1	2	Up to date asset register Asset management plan in place and up to date Experienced premises team in place with oversight of assets	1	Moderate	Chief Executive Executive Principal School Principal Trust Business Manager Financial Controller	↓	Sep-19
29	Failure to carry out the correct audit/review procedures to ensure building, maintenance, health and safety regulations are upheld in both schools	Poor Health and Safety Audit increased accumulation of costs which could be reduced with timely intervention increased scrutiny from oversight organisations	2	2	4	Health and Safety audits by external organisations H&S reference software on websites for advice Experienced site operations manager and team Risk assessments Regular checks and reporting on all H&S procedures Regular checks on equipment and buildings	3	Moderate	Chief Executive Financial Controller Trust Business Manager Executive Principal School Principal	↓	Sep-19
30	Failure to maintain the asbestos register for both schools	Failure to comply with external compliance bodies Damage to Trust and Sponsor reputation Health and Safety Risk to staff and students Increased costs and fines for non compliance	3	1	3	Annual reporting to ESFA of Asbestos management Shared responsibility across the Trust and Boards for management of Asbestos Regular asbestos inspections to update on any changes Updated and regularly reviewed asbestos register Asbestos management plan in place and regularly updated.	2	Strong	Chief Executive Executive Principal School Principal	↓	Sep-19
31	Failure of the Trust to follow employee legislation	Risk of fines and reputation Greater risk of litigation and claims Increased costs through non compliance	3	1	3	Experienced Trust HR Manager in place Executive Princpal and CEO oversight Access to LSBU Sponsor organisation procedures and experienced staff Updated HR and Recruitment policies in place	2	Strong	Chief Executive Executive Principal School Principal Trust HR Manager	↓	Sep-19
32	Failure to ensure that the School complies with Tax legislation	Risk that the legislative requirements relating to VAT, PAYE, National Insurance etc. are not known or complied with Financial risk Litigation risk	3	1	3	Support from School Payroll Provider and the associated policies Internal and External Auditors Oversight by Trust Business Manager and Finance Manager Oversight by Financial Controller	2	Strong	Executive Principal Principals Local Advisory Board Trust Business Manager	↓	Sep-19

Risk Calculation	Probability		
	1 low	2 medium	3 high
Impact			
1 low	1	2	3
2 medium	2	4	6
3 high	3	6	9

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