

**Minutes of the meeting of the South Bank Academies Board
held at 2.00 pm on Thursday, 7 December 2017
South Bank Engineering UTC, 56 Brixton Hill SW2 1QS**

Present

David Phoenix (Chair)
Rao Bhamidimarri
Adam Crossley
Douglas Denham St Pinnock
Richard Flatman
James Stevenson

Apologies

Tony Giddings
Lesley Morrison
Richard Parrish

In attendance

Michael Broadway
Claire Viner
Joe Kelly

1. Welcome and apologies

The Chair welcomed directors to the meeting. The above apologies were noted.

The Board noted that Steve McGuire had resigned as a director.

2. Declarations of interest

No director declared a conflict of interest with any item on the agenda.

The Board approved the directors' Register of Interest declarations.

3. Minutes of last meeting

The Board approved the minutes of the meeting held on 14 September 2017.

4. Matters arising

The Board noted the following actions were still in progress:

- Financial controls policy: the Board requested that the current version of the policy is circulated to directors as soon as possible. The policy was being revised and would be reviewed by the Audit Committee; and
- Review of KPIs. The next KPI report was due at the Board meeting in March 2018.

5. **Chief Executive report**

The Board discussed the CEO report.

The Board noted that the most significant challenge to both schools is the high number of Newly Qualified Teachers (NQTs). This is due to difficulties in recruiting and retaining teachers in London, particularly in STEM subjects. The Principals at both schools are reviewing staffing capacity.

The Board noted that the second stage of the new accommodation at UTC is due to be delivered in June 2018.

The Board noted student recruitment to the UTC had declined in September 2017, and requested that staff focus on improving student numbers as a key priority. The Board noted national challenges for UTCs include the age of student entry. The Board noted the option of converting to an 11-18 school intake while maintaining a focus on STEM subjects. A review would be undertaken in the New Year for the Board to approve. The consent of the DfE would be required if such a change were to be pursued.

The Board discussed the DfE's term 3 visit report. The Board noted that students' experience of practical learning at the UTC had been limited by the temporary accommodation. The Board asked that LGBs review that students are actively supported in integrating additional hours of practical learning within their overall workload.

The Board noted that DfE would conduct termly visits to the UTC until it received its first Ofsted inspection. The final term 4 visit report would be circulated to the Board when received from the DfE.

The Board discussed the support for new teachers who did not have experience in preparing students for exams. It was noted that this is a regular item at the monthly management meetings.

The Board noted that Skanska had delivered a successful sustainability day at UTC for students and staff.

6. **SBA Strategic Plan**

The Board approved the Strategic Plan. The individual school development plans would be aligned to the strategic plan.

The Board noted the plan was based around the two existing schools and would need to be updated if any additional schools joined the MAT.

7. **SBA Risk Register**

The Board discussed the company's risk register.

The Board confirmed that the risk register is a live document and requires continual review and updating.

The Board requested that:

- An overview of changes should be recorded on the cover sheet for each meeting; and
- pending actions to address risks be recorded.

The Board requested that the policy and processes for identifying, reviewing and tracking risks and updating the company and school risk registers is reviewed at the next Audit Committee meeting.

The Board agreed that staff recruitment, and financial controls should both carry a higher risk rating.

8. Revised budget 2017/18 and management accounts to 31 October 2017

The Board discussed the re-forecast of the budget 2017/18.

The Board confirmed that the budget approved at the start of the financial year and submitted to ESFA remains the budget throughout the year. Any subsequent changes to budgeted income and expenditure should be managed to ensure the agreed surplus is met.

The Board requested confirmation by email of the value of the recent cleaning and catering contracts, and that they had been approved within delegated limits.

9. Assurance visits report

The Board noted the assurance reports.

10. Safeguarding report

The Board discussed the Safeguarding report.

The Board noted there were six active safeguarding cases at the Academy.

The Board requested that the Safeguarding report include a relevant Board-level overview with details of the number of cases in each school, to be reported at each meeting.

11. Annual Report and Accounts 2016/17

The Board discussed the current situation in relation to the annual report and accounts, and agreed the next steps in moving forward.

The Board noted the challenges in producing accurate accounts; these were identified as follows:

- A lack of financial control during the financial year;

- A lack of regular bank reconciliations in the new financial year; and
- A lack of training of junior staff resulting in mis-posting of a large number of small transactions.

The Board noted a £170k unreconciled difference between the accounting records and the bank accounts which has now been reduced to approximately £50k. Management gave assurance to the Board that the majority of the £170k difference would be reconciled in the next few days. This position is shared by the auditors. The auditors' advice is that £5k is the materiality threshold.

The auditor has confirmed that if final draft accounts (with the differences reconciled) can be submitted for audit by the morning of Tuesday 12 December 2017, the auditors will be able to audit the accounts in time for approval by the Board and filing with the ESFA ahead of the filing deadline of 31 December 2017. The Board noted practical issues around Christmas holidays.

The Chair of the Audit Committee is having regular discussions with the external auditors.

The CEO assured the Board that:

- it is confident that there is no evidence of fraud or misappropriation;
- there is paperwork to back up all transactions; and
- the differences are due to error.

The Board expressed its disappointment to be in this position but noted that the issues can be resolved. The Board instructed management to do its utmost to ensure that the accounts are not qualified and that they are filed on time.

The Board noted that the draft accounts, the audit management letter and the letter of representation will receive detailed scrutiny by the Audit Committee before being recommended to the Board for approval. The Board noted it is likely that the auditors will require specific representations from directors in the letter of representation to the auditors.

The Board agreed the following next steps:

- To review the position again on Tuesday 12 December 2017;
- Audit Committee and Board meetings will be arranged to allow scrutiny and approval of the accounts ahead of the filing deadline of 31 December 2017 (practically this means Friday 22 December 2017); and
- The internal audit function will be reviewed by the Audit Committee to address financial control issues.

12. **Local Governing Body reports**

The Board noted the reports from the Local Governing Bodies.

13. School Development Plans

The Board noted the School Development Plans.

14. Election of Chair and Vice Chair

The Board approved David Phoenix and Richard Flatman as Chair and Vice Chair, respectively, for the school year 2017/18.

15. Company policies

The Board approved the revised terms of reference for the Remuneration Committee.

The Board noted the Pay Policy. The CEO is reviewing the policy and, after consultation with staff, will bring a revised policy to the July 2018 Board meeting.

**Date of next meeting
2.00 pm, on Thursday, 22 March 2018**

Confirmed as a true record

..... (Chair)