

## APPENDIX B: SCHOOL AUDIT REPORT SUMMARIES

Parklands Junior School	Schedule B (1)
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### 1.1 Summary of Audit Findings

- 1.1.1 In the short time that the current Head Teacher has been in post, substantial changes have been made within the school. Robust processes have been established around safeguarding and school development planning. However the Head Teacher is aware of the need for significant improvements in areas such as Finance and ICT.
- 1.1.2 Initial discussions with the Head Teacher were held during which concerns were raised regarding key documentation. Over the last year, most likely due to the turnover of staff, critical documentation (including Finance Policy and Resources committee minutes) has either been lost / misplaced or has not been kept up to date. In some instances, evidence, such as minutes to Governing Body meetings, would suggest that the documents did exist, however without access to them it has not been possible to provide assurances in some areas.
- 1.1.3 Historically the schools administrative and finance functions have been the sole responsibility of named individuals. A lack of succession planning has resulted in these functions not being administered in the absence of the responsible individuals.
- 1.1.4 Large quantities of hard copy data are being retained in an outbuilding on site; including sensitive and confidential information held beyond their statutory limits.
- 1.1.5 Effective filing systems have not been established. Individual files for both pupils and personnel have not been in place. Significant improvements have been made in some areas and work continues to ensure that robust mechanisms for recording and retaining sensitive information continue to be developed. Manual records increase the risk that information can be lost or damaged in the event of an emergency.
- 1.1.6 The school have yet to transition from paper to electronic record keeping. Class registers are a good example of a process that is still being maintained in hard copy; increasing the possibility of human error occurring and impacting on the efficiency of the process.
- 1.1.7 A process for recording equipment loaned to staff has been established, however records lack clear descriptions, such as make, model and serial number to ensure that the item can be easily identified and there is no reference to the terms and conditions of use. There is also no requirement for the return of the item to be independently verified.
- 1.1.8 Whilst income collected by the school is relatively small, banking is not undertaken on a regular basis. As a result, the level of cash held in the safe and therefore the amount to be banked can be significantly increased.

- 1.1.9 Delays in updating the SIMS system were noted. Notifications from the borough are received and should be entered onto the system to ensure that the schools financial position is as accurate as possible. The review found that a number of weeks can elapse before this information is updated on the system.  
Delays were also found in the raising of checks, with several weeks passing from the invoice being authorised to the cheque being raised.
- 1.1.10 Income collected is stored in the safe until being prepared for banking. At the time of the audit there were two large cash bags in the safe. The Auditor was advised that the cash was from the School Fete however, the school could not confirm the amount of money in these bags and there were no income records available to indicate that the cash had been counted and maintained intact. A total of £1048 was confirmed by the Auditor. In the absence of any verification of the amount being placed in the safe may result in theft going undetected.
- 1.1.11 Income and expenditure records for school trips are maintained separately. The school will subsidise some of the costs of the trip, however a profit and loss account is not produced at the end of the trip to ensure that income and expenditure costs are as expected and to confirm that the school did not make a profit from the income collected from pupils.
- 1.1.12 All bank reconciliations should be completed and returned to LMS for each month by the 15<sup>th</sup> of the following month. Bank reconciliations for April and May 2014 could not be located on site and had not been returned to LMS at the time of the audit.
- 1.1.13 Various weaknesses were identified within the procurement processes of the school. Use of individual suppliers and a lack of evidence of quotes and tenders being obtained limit the schools ability to demonstrate that value for money is being achieved.
- 1.1.14 The raising of orders after the invoice has been received, in addition to the incorrect use of cost centre codes impacts on the schools ability to accurately monitor the budget as well as ensuring that cost centres are a true reflection of the schools spending habits.
- 1.1.15 Paperwork relating to purchases are separated by type. Locating all documents that support the order, receipt and payment of goods and services has been unnecessarily complicated.
- 1.1.16 At the time of the review there were only two cheque signatories, this was due to the need to update the bank mandate to reflect the new staffing structure. As one of the signatories was off sick at the time of the review and work was underway to update the bank mandate, no cheques could be processed.
- 1.1.17 Whilst the school uses a number of individuals that would be considered independent of the school, the school have not carried out the necessary HMRC checks to confirm the employment status of the individual as required.

1.1.18 Historically Payroll reports have been checked by the Finance Officer for accuracy, but are not submitted to the Head Teacher for final approval.

## 1.2 Audit Opinion

1.2.1 **No Assurance** on the system of internal control operating at the time of audit is given. This reflects the fact that control environment is weak and is open to error, abuse and/ or non-compliance.

1.2.2 The audit makes seven high and eight medium priority recommendations which comprise:

### High:

- Critical documents should be amended and reviewed on an annual basis;
- Key documentation is retained and be made easily accessible;
- Succession planning should be undertaken to deal with the event of staff absence with regard to accessing documents/ information;
- Documentation, including sensitive information should be archived / destroyed once it has reached its statutory limit of retention;
- Confidential staff and pupil information should be filed efficiently and access limited to authorised personnel;
- Administrative, income and finance records to be transferred to electronic format;
- The procurement process to be amended to improve budget monitoring and value for money.

### Medium:

- Equipment on loan register to be amended;
- Banking to be carried out frequently;
- Financial information to be entered onto the SIMS system in a timely manner;
- Income placed in the safe should be verified prior to storing in the safe.
- A summary income and expenditure to be prepared for the schools residential school trip;
- Bank reconciliations to be completed and returned to LMS in line with expectations;
- Additional signatories to be agreed and added to the schools bank mandate;
- Checks to be carried out on the tax status when using individuals who are self-employed; and
- Payroll reports to be submitted to the Head Teacher once checked, for final approval.

## **2. Introduction**

- 2.1.1 The audit of St Edwards Primary School was undertaken as part of the rolling triennial programme of school audits.
- 2.1.2 St Edwards Primary School was last audited in November 2011 when Substantial Assurance on the School's system of internal control was given. The opinion reflected the fact that the system of internal control was sound but a number of limitations and/or instances of non-compliance with some of the controls may put some of the system objectives at risk were identified.
- 2.1.3 The 2011 internal audit report made eight recommendations, one high priority, five medium priority and two low priority, which were designed to mitigate potential risk. Six of the recommendations had been completed at the time of the audit. The two outstanding recommendations related to retrospective ordering and the inventory. Both of these recommendations have been reiterated as part of this report.

## **2.2 Objectives and Scope**

- 2.2.1 The audit was undertaken to provide the Governing Body and Head Teacher with assurance on the system of internal control operating within the school to manage key risks in the following key areas:
- Corporate Governance & Risk Management;
  - Strategic Planning;
  - Information Governance;
  - Safeguarding;
  - Financial Management; and
  - Procurement & Capital Projects.

## **2.3 Summary of Audit Findings**

- 2.3.1 Checks had not been carried out to ensure that staff that use their car for work had relevant insurance and a valid MOT certificate.
- 2.3.2 The schools inventory was not fully updated at the time of the audit. A report had been carried out by Joskos and supplied to the school showing all IT items that had been disposed of since the previous inventory check.
- 2.3.3 Documents for long term lettings weren't retained on file in all cases. It is expected that certain documents relating to a letting are retained on file; these would include insurance certificates, DBS checks and any relevant training/ qualifications.
- 2.3.4 Testing found that orders for thirteen of twenty purchases checked had been entered onto the system retrospectively of the invoice being received. To allow for accurate budget monitoring orders should be entered onto the system in advance of the service/ product being purchased.

- 2.3.5 A reimbursement to the Head Teacher for a purchase had been made. It was found that the order and invoice/ receipt had been authorised for processing and payment by the Head Teacher. The cheque was signed by two alternative authorised signatories. Staff being reimbursed for the purchase of school items should not be involved in the authorisation of the reimbursement in order for the school to demonstrate an adequate level of segregation of duties.
- 2.3.6 Purchases of larger value items should be made using the current processes in place for school orders, or via a School Corporate Purchasing Card and not via cash to be reimbursed. One purchase within the testing was found to be for an iPad that was later reimbursed by the school.
- 2.3.7 During the audit it was found the school had used two individuals for school maintenance works who were self-employed. No checks on their self-employed/ tax status had been carried out in advance of the individuals being used. Checks on self-employed individuals tax status should be carried out through HMRC in advance of them being paid for school works.

## **2.4 Audit Opinion**

- 2.4.1 A **Substantial Assurance** has been given as the audit found that while there is a basically sound system, there are limitations that may put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
- 2.4.2 The audit makes one high and six medium priority recommendations which comprise:

### **High:**

- Checks to be carried out for those staff using their car for work purposes.

### **Medium:**

- School inventory to be updated;
- Documentation relating to lettings to be retained by the school;
- Orders to be raised in advance of invoices being received;
- Staff being reimbursed not be involved in the authorisation of the reimbursement;
- Large cash purchases to be made using official orders or corporate purchasing card; and
- Checks to be carried out on the tax status when using individuals who are self-employed.

### 3.1 Introduction

- 3.1.1 The audit of Brady Primary School was undertaken as part of the rolling triennial programme of school audits.
- 3.1.2 The current Head Teacher of Brady Primary School was newly appointed in September 2014.
- 3.1.3 Brady Primary School was last audited in September 2013 when the completion of the Audit Health Check by the Council's LMS Team resulted in a Limited Assurance on the School's system of internal control being given. The opinion reflected the fact that limitations in the systems of control identified were such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
- 3.1.4 The 2013 report made eleven recommendations, three priority one (High) and eight priority two (Medium) recommendations were raised to mitigate the potential risks. As part of this review, progress to implement the recommendations raised in 2013 as been undertaken.
- 3.1.5 The review found that seven recommendations had been implemented and could be easily evidenced. However in four cases, recommendations have either been implemented but can't be evidenced, or have only been partially implemented.
- 3.1.6 A priority two recommendation regarding the need to bank income regularly included an additional point that the school profit and loss accounts for journeys should be signed off. Whilst evidence supports the regular banking of income, the most recent profit and loss account for the 2014 Isle of Wight trip was not signed off.
- 3.1.7 A priority two recommendation setting out the need for staff to change passwords on a regular basis is currently in progress. Investigation found that the SIMS system does not contain a facility to prompt the regular changing of passwords. Whilst staff have been reminded to change their passwords, evidencing that passwords have been changed would be difficult.
- 3.1.8 A priority two recommendation was raised because the 2013/14 draft budget appeared to have been signed off by an individual Governor before it was presented and agreed by either the Governing Body or a committee with delegated responsibility, in this case the Finance Committee. It also noted that the draft budget was not approved by the Finance Committee until late in May 2013. The report acknowledged that the Finance Committee were invited to review the budget in April 2013.
- 3.1.9 A delay in approving the 2014/15 budget was noted during this review; however, because of the extenuating circumstances over the last year, which has most likely contributed to this delay, no recommendation is being raised.

3.1.10 Lastly a priority two recommendation was raised to address the finding that expenditure was being coded to cost centres where no budget have been allocated. No evidence of this was found during this review, however, cost centre overspends were found. Recommendations have been raised as part of this report to address these findings.

## **3.2 Objectives and Scope**

3.2.1 The audit was undertaken to provide the Governing Body and Head Teacher with assurance on the system of internal control operating within the school to manage key risks in the following key areas:

- Corporate Governance & Risk Management;
- Strategic Planning;
- Information Governance;
- Safeguarding;
- Financial Management;
- Income;
- Banking;
- Procurement;
- Payments; and
- Capital Projects.

## **3.3 Summary of Audit Findings**

3.3.1 The schools Finance Policy and Procedures document contains evidence to support that amendments to this document have been made post the appointment of the current Head Teacher. However, the audit has highlighted several areas that do not reflect current arrangements. Furthermore, the revised version of this document has not been presented to Governing Body for approval.

3.3.2 The audit review carries out checks in a number of areas, where staff are either subject to checks, such as DBS checks or where staff are required to sign a declaration, such as a declaration of interest. Testing has highlighted a relatively low number of omitted forms in several areas. Whilst this does not pose a significant risk, due to the low number of cases identified, it does impact of the completeness of the schools records.

3.3.3 Similarly to the schools Finance Policy and Procedures document, the Emergency Plan requires both updating and approving. Elements of the plan are out of date; particularly where responsibilities are allocated to staff that no longer work at the school. It is essential that responsibilities are adequately allocated and communicated.

3.3.4 The school does not have a “grab bag” that includes useful / necessary items that may be required in an emergency situation. The schools Emergency Plan has been produced using the Council’s “Emergency Planning in Children’s Establishments” document which outlines items that should be placed in the bag.

- 3.3.5 The schools Asset Management Plan includes works and costs, however this is no longer up to date and doesn't align with the 2014/15 budget profile. The school needs to ensure that works are prioritised, including how and when works will be funded.
- 3.3.6 The Schools Finance Policy and Procedures document sets out that the Head Teacher is a permitted user of SIMS Finance, however a review of users found that access has not been set up.
- 3.3.7 To ensure the accuracy of the schools inventory, a sample of items are selected from the inventory, then located and checked for security markings. Testing is also undertaken to establish whether items within the school are recorded on the inventory. This test found that none of the three items selected from the school were recorded on the inventory.
- 3.3.8 Budget monitoring meetings have historically been attended by the Head and Deputy Head Teachers, the Office Manager and the Site Manager. After the unexpected passing of the Head Teacher, the Officer Manager with support from the Deputy Head who was Acting Head assumed responsibility for monitoring the budget. This has continued whilst the new Head Teacher settles in, but a formal monitoring process needs to be reinstated to ensure that the budget can be closely monitored for the remainder of the financial year and ultimately feed into the forthcoming budget setting process.
- 3.3.9 A review of the schools cost centre codes found instances of both over and underspends. Discussions identified some possible miscoding between the Health & Safety and Internal Maintenance codes that offset some of these figures. It is also possible that the budget was not accurately profiled for the current financial year, which has exacerbated the issue.
- 3.3.10 The school collects income from pupils for school meals, which is passed to an external company that provides meals for the pupils at another local school. A record is maintained of meals requested and money collected. This record, along with the money is not verified before it is taken off site.
- 3.3.11 Discrepancies were noted during procurement testing between the cheque numbers recorded on SIMS Finance to the actual cheques used. Whilst the explanation surrounding the error and the action taken are sufficient, there is a lack of documented evidence on file to ensure that there is a full audit trail of events.
- 3.3.12 The payroll report is checked for accuracy by the Office Manager; however it is not signed off. Whilst it is not expected that the Head Teacher will review the payroll report, the checking officers pay should be verified by the Head Teacher to ensure full segregation of duties.

### **3.4 Audit Opinion**

- 3.4.1 **Substantial Assurance** on the system of internal control operating at the time of audit is given. This reflects the fact that the school has maintained good controls during a period of instability and as a result there is a basically sound



system of control in place. However, there are limitations that may put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk and therefore need to be addressed.

3.4.2 The audit makes nine medium priority and three low priority recommendations which comprise the need for:

**Medium:**

- All necessary declarations and checks to be completed for all staff / governors where applicable;
- The Emergency Plan to be updated and approved;
- The school to put together a "grab bag" and allocate responsibility for this bag;
- The Asset Management Plan to be reviewed, updated and approved, ensuring that any financial requirements can be built into the budget setting process;
- A full review of the schools inventory to be undertaken to ensure that all items on site are included;
- Formal budget monitoring meetings to be reinstated to ensure that the budget is being adequately monitored;
- Expenditure to be coded to the most appropriate cost centre to ensure that budget profiles are as accurate as possible;
- Verification of school meals monies to be carried out prior to monies being removed from the school; and
- Clear audit trails to be maintained when errors occur, setting out the reason for the error and the action taken to rectify the error.

**Low:**

- The school Finance Policy and Procedures document to be updated to reflect the current arrangements in place and for the document to be subject to Governing Body approval;
- The Head Teacher to be given access to SIMS Finance in line with the Schools Finance Policy and Procedure document; and
- Payroll reports to be signed by the person checking the accuracy of the report and verified by the Head Teacher.

## 4.1 Introduction

- 4.1.1 The audit of St Patricks Primary School was undertaken as part of the rolling triennial programme of school audits.
- 4.1.2 St Patricks Primary School was last audited in February 2014 when the completion of the Audit Health Check by the Council's LMS Team resulted in a Substantial Assurance on the School's system of internal control being given. The opinion reflected the fact that whilst there was basically sound system of control in place, limitations were identified that may put some of the system objectives at risk, and/or there was evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
- 4.1.3 The 2014 report made six recommendations, one priority one (High) and five priority two (Medium) recommendations to mitigate the potential risks. As part of this review, progress to implement the recommendations raised in 2014 has been undertaken.
- 4.1.4 The review found that three recommendations had been implemented and could be easily evidenced. In two cases, the audit found weaknesses that show the recommendation has not been fully implemented. The first case relates to the need for the school to reduce the number of orders being placed retrospectively.
- 4.1.5 This review found that a large number of retrospective orders are still being placed. A duplicate recommendation has not been raised as part of this report, however the school must continue to address this issue as part of the implementation of the original recommendation, especially as the risk of budget overspends will increase once the carry over funds currently in the account have been spent.
- 4.1.6 The second recommendation that remains outstanding relates to the need for the transfer of monies between staff to be recorded. During the audit it was stated that the transfer is documented, however the evidence is destroyed once the process is complete. A subsequent recommendation has been raised as part of this report to address this issue.
- 4.1.7 In the remaining case, the recommendation raised related to the need for Governors to consider The Royal Society for the Prevention of Accidents guidance in relation to staffing using their own vehicles for work purposes. In response to the recommendation and after discussion at the Full Governing Body meeting, the Governors deemed it inappropriate to ask staff to provide documentary evidence and that staff were responsible for ensuring that they have the correct cover. Instead staff are required to complete an annual declaration (or whenever their insurance was renewed) to evidence that they accept this responsibility.

## 4.2 Objectives and Scope

4.2.1 The audit was undertaken to provide the Governing Body and Head Teacher with assurance on the system of internal control operating within the school to manage key risks in the following key areas:

- Corporate Governance & Risk Management;
- Strategic Planning;
- Information Governance;
- Safeguarding;
- Financial Management;
- Income;
- Banking;
- Procurement;
- Payments; and
- Capital Projects.

### **4.3 Summary of Audit Findings**

4.3.1 There are several declarations in place that staff and in some cases Governors are expected to complete.

4.3.2 A review of declarations of interest found that of the 61 staff and Governors tested, six individuals had not completed a declaration within the last year. Whilst only one (a Governor) would be expected to have completed a declaration, as in the remaining cases the individuals are not authorised signatories, for completeness, the school should ensure that all forms have been completed. It must be noted that in one case the member of staff was on sick leave and so could not complete the declaration until they return to work.

4.3.3 Declarations are signed by staff to evidence that they have been informed of their responsibility in regards to ensuring that they have appropriate insurance cover in the event that they use their own vehicle for work purposes. Of the 56 members of staff tested, two (a new starter and the member of staff on sick leave) have yet to complete the declaration.

4.3.4 Staff are also required to sign the Acceptable User Declaration. Testing found that three individuals (the new starter and member of staff on sick leave, set out above) have not completed this form, in addition to another member of staff off sick.

4.3.5 Governors are provided with the School Improvement Plan as part of the Head Teachers pack. Whilst minutes to both Governing Body and Finance Committee meetings clearly evidence that Governors are aware of and have access to this document, the minutes do not clearly evidence Governors approval of the plan.

4.3.6 Documentary evidence is not being retained to support the transfer of monies between the Breakfast and After School Club and the Office.

4.3.7 The schools Finance Policy and Procedures document sets out that there are four authorised signatories, all with a financial threshold limit of £10k+. The use of the plus sign in addition to the lack of varying limits between signatories

obscures the intention of the financial authorisation levels recorded in the procedures.

- 4.3.8 On the 30th January 2012 the Governing Body approved the issue and financial limits of charge cards to staff. However, evidence could not be located to support that card holders had been provided with guidance regarding permitted use of these cards.
- 4.3.9 Testing was undertaken on a sample of purchases made via charge card. Whilst testing found that the use of cards is in line with expectations it was noted that the Head Teacher has previously signed a charge card reconciliation as both the card holder and one of two authorisers. It is appreciated that the limited number of signatories results in difficulties in ensuring that there is full segregation of duties through the process. However, the planned addition of the Deputy Head, discussed at the time of the audit, as an authorised signatory will provide an additional avenue for approving Head Teacher transactions.
- 4.3.10 The schools Finance Policy and Procedures document regarding the petty cash process does not accurately reflect the actual process being followed and needs to be amended.

#### **4.4 Audit Opinion**

- 4.4.1 **Substantial Assurance** on the system of internal control operating at the time of audit is given. This reflects the fact that the school has maintained good controls during a period of instability and as a result there is a basically sound system of control in place. However, there are limitations that may put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk and therefore need to be addressed.
- 4.4.2 The audit makes four medium priority and three low priority recommendations which comprise the need for:

##### **Medium:**

- Minutes to clearly evidence to approval of key documents;
- The transfer of monies between the Breakfast and After School Club to be documented;
- Financial thresholds for cheque signatories to be clarified;
- The Deputy Head Teacher to authorise charge card and petty cash transactions relating to the Head Teacher.

##### **Low:**

- The outstanding declarations to be completed and retained on file;
- The need for card holders to sign to accept that they have been notified of the procedures around the use of charge cards; and
- The Finance Policy and Procedures document to be updated to reflect the current arrangements for the approval of petty cash reimbursements.

## 5.1 Introduction

- 5.1.1 As part of the traded services on offer to all authority maintained schools within the borough, the schools are able to buy in an audit health check. The health checks provide schools with an independent assurance between their triennial audits.
- 5.1.2 Langtons Infant School was last audited in July 2012 when the completion of triennial audit resulted in a Substantial Assurance on the School's system of internal control being given. The opinion reflected the fact that while there is a basically a sound system of control in place, there were limitations that may put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
- 5.1.3 The 2012 report made five recommendations, one high, two medium and two low priority recommendations.
- 5.1.4 Recommendations raised in the previous Health Check in September 2013 have also been checked for implementation. This report made seven recommendations, one priority one (High) recommendation and six priority two (Medium) recommendations.

## 5.2 Objectives and Scope

- 5.2.1 The audit health check was undertaken to provide the Governing Body and Head Teacher with assurance on the implementation of previous recommendations and the system of internal control operating within the school to manage key risks in the following key areas:
- Corporate Governance & Risk Management;
  - Strategic Planning;
  - Information Governance;
  - Safeguarding;
  - Financial Management;
  - Income;
  - Banking;
  - Procurement;
  - Payments; and
  - Capital Projects.
- 5.2.2 The health check does not fully review each key area as per the triennial audit but is directed by the recommendations raised previously and the answers supplied by the head teacher on the Schools Pre-visit Questionnaire.
- 5.2.3 The matters raised within this report are those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive list of all the weaknesses that may exist or all improvements that might be required.

### 5.3 Summary of Audit Findings

- 5.3.1 This review found that three of the five recommendations raised in the July 2012 triennial audit had been implemented. The review found weaknesses in the remaining two areas that related to the need for;
- Petty cash reimbursements to be authorised before the payment is made (Medium); and;
  - Staff that use their own cars for school business use to produce the relevant documentation and for documentation to be reviewed annually. (High).
- 5.3.2 This review found that five of the seven recommendations raised in the September 2013 triennial audit had been implemented. The review found weaknesses in the remaining two areas that related to the need for;
- VAT to be charged (where applicable) on the total cost of invoices raised where the Infant School is supplying goods and / or services to the Junior Academy (Medium). This recommendation had been implemented in part and human error was responsible for the weaknesses identified; and;
  - Staff that use their own cars for school business use to produce the relevant documentation and for documentation to be reviewed annually. (High).
- 5.3.3 Staff are asked to declare whether they use their car for work purposes. In the event that a member of staff declares that they do use their own car, a driving checklist is completed. The audit found that 11 members of staff do use their car for work purposes. Of the 11 checklists in place, seven are currently incomplete and awaiting the submission of supporting documents. In four cases, where it appears from the checklist that the member of staff is suitably insured, the supporting insurance policies appear to contradict this view.
- 5.3.4 One governor had not been subject to a DBS check. For completeness, this check should be carried out to ensure that in the event that the Governor attends the school during the day, that suitable checks have been completed in advance.
- 5.3.5 Testing found instances where the claimant had not signed the timesheet they submitted for payment. Claimants should sign to declare that the record is true and accurate.
- 5.3.6 The payroll report is checked for accuracy by the Office Manager; however it is not signed off. Whilst it is not expected that the Head Teacher will review the payroll report, the checking officers pay should be verified by the Head Teacher to ensure full segregation of duties.

### 5.4 Audit Opinion

- 5.4.1 Based on the records examined a **Substantial Assurance** has been given on the basis that whilst there is basically a sound system of control in place, there

are limitations that may put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

5.4.2 The audit makes one medium priority and four low priority recommendations which comprise the need for:

**Medium:**

- Action to be taken to complete the driving checklists already underway and to reassess the cover detailed in the insurance policies already provided.

**Low:**

- All staff to sign a declaration to evidence that they have been informed of their responsibility regarding the use of their car for work purposes;
- A DBS check to be carried out on the last remaining Governor;
- All timesheets to be signed by the claimant;
- Payroll reports to be signed by the person checking the report and verified by the Head Teacher.

## **6.1 Introduction**

- 6.1.1 As part of the traded services on offer to all authority maintained schools within the borough, the schools are able to buy in an audit health check. The health checks provide schools with an independent assurance between their triennial audits.
- 6.1.2 Mead Primary School was last audited in September 2013 when the completion of triennial audit resulted in a Full Assurance on the School's system of internal control being given. The opinion reflected the fact there is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
- 6.1.3 The 2013 report made three recommendations, one medium priority recommendation and two low priority recommendations were raised to mitigate the potential risks.
- 6.1.4 Recommendations raised in the previous Health Check in October 2012 have also been checked for implementation. This report made four recommendations, three priority two (Medium) recommendations and one priority three (Low) recommendation.

## **6.2 Objectives and Scope**

- 6.2.1 The audit health check was undertaken to provide the Governing Body and Head Teacher with assurance on the implementation of previous recommendations and the system of internal control operating within the school to manage key risks in the following key areas:
- Corporate Governance & Risk Management;
  - Strategic Planning;
  - Information Governance;
  - Safeguarding;
  - Financial Management;
  - Income;
  - Banking;
  - Procurement;
  - Payments; and
  - Capital Projects.
- 6.2.2 The health check does not fully review each key area as per the triennial audit but is directed by the recommendations raised previously and the answers supplied by the head teacher on the Schools Pre-visit Questionnaire.
- 6.2.3 The matters raised within this report are those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive list of all the weaknesses that may exist or all improvements that might be required.



### **6.3 Summary of Audit Findings**

- 6.3.1 This review found that all previous recommendations raised across the two reports had been implemented and could be easily evidenced.
- 6.3.2 One governor had not signed a pecuniary interest form. This is a new governor appointed November 27<sup>th</sup> 2014.
- 6.3.3 The schools emergency plan was last updated in September 2012.
- 6.3.4 The information relating to FMS access within the Finance Policy does not accurately reflect current access rights.

### **6.4 Audit Opinion**

- 6.4.1 Based on the records examined a **Full Assurance** has been given on the basis that there is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
- 6.4.2 The audit makes one medium priority and two low priority recommendations which comprise the need for:

#### **Medium:**

- School Emergency Plan/ Business Continuity Plan to be updated.

#### **Low:**

- Pecuniary interest form to be completed for the one remaining governor,
- Finance Policy and FMS access information to be coordinated.

## 7.1 Introduction

- 7.1.1 As part of the traded services on offer to all authority maintained schools within the borough, the schools are able to buy in an audit health check. The health checks provide schools with an independent assurance between their triennial audits.
- 7.1.2 Mawney Foundation School was last audited in September 2012 when the completion of triennial audit resulted in a Substantial Assurance on the School's system of internal control being given. The opinion reflected the fact there is a basically sound system of control with some areas of non-compliance identified.
- 7.1.3 The 2013 report made four recommendations, three medium priority recommendation and one low priority recommendations were raised to mitigate the potential risks.
- 7.1.4 Recommendations raised in the previous Health Check in December 2013 have also been checked for implementation. This report made six recommendations, one priority one (High) and five priority two (Medium) recommendations.

## 7.2 Objectives and Scope

- 7.2.1 The audit health check was undertaken to provide the Governing Body and Head Teacher with assurance on the implementation of previous recommendations and system of internal control operating within the school to manage key risks in the following key areas:
- Corporate Governance & Risk Management;
  - Strategic Planning;
  - Information Governance;
  - Safeguarding;
  - Financial Management;
  - Income;
  - Banking;
  - Procurement;
  - Payments; and
  - Capital Projects.
- 7.2.2 The health check does not fully review each key area as per the triennial audit but is directed by the recommendations raised previously and the answers supplied by the head teacher on the Schools Pre-visit Questionnaire.
- 7.2.3 The matters raised within this report are those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive list of all the weaknesses that may exist or all improvements that might be required.

### 7.3 Summary of Audit Findings

- 7.3.1 Checks on the implementation of the recommendations raised at the last triennial audit found that one recommendation was still outstanding. This related to the need for orders to be raised on the system before invoices have been received to allow for more accurate budget monitoring. This recommendation has been reiterated as part of this report.
- 7.3.2 The review of the previous health check recommendations found that five recommendations had been fully implemented with one partially implemented. This related to the need for all key staff and governors to sign a pecuniary interest form.
- 7.3.3 One governor's form was outstanding at the time of the audit, this had been chased and the Governing Body had been made aware of this form being outstanding, therefore no recommendation relating to this has been raised within this report.
- 7.3.4 The schools business continuity plan was only partially completed at the time of the audit. Work was ongoing to fully complete the plan as soon as possible.
- 7.3.5 An ex-employee still had log in access to the FMS system.
- 7.3.6 Orders raised and authorised on the system were not printed/ authorised in advance of invoices being received from suppliers.

### 7.4 Audit Opinion

- 7.4.1 Based on the records examined a **Full Assurance** has been given on the basis that there is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
- 7.4.2 The audit makes two medium priority and one low priority recommendations which comprise the need for:

**Medium:**

- School Business Continuity Plan to be completed; and
- Orders to be printed/ authorised before being raised with the supplier.

**Low:**

- LMS to be contact to remove access to FMS for an ex-member of staff; and