

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2015/16

COMMITTEE:

AUDIT COMMITTEE

7th December 2015

Item No. 8
Finalised Audit Assignments 2015/16

REPORT OF:-

GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

Author: Marc Crumbie (Operational Audit Manager)

(01443) 680779

1. PURPOSE OF THE REPORT

This report provides Members with a summary of audit assignments completed between 1st October 2015 and 30th November 2015.

2. RECOMMENDATIONS

It is recommended that Members review the information contained within the report and:

- 2.1 Seek clarity and explanation where there are areas of concern.
- 2.2 Identify further action to be taken where deemed necessary.

3. BACKGROUND

- 3.1 In line with agreed procedures, I attach at **Appendix 1** a summary of audit assignments completed between the period of the 1st October to the 30th November 2015.
- 3.2 I have provided Members with the Introduction, Scope & Objectives, Auditor's stated opinion along with a summary of all recommendations made for each audit review completed to final report stage within the stated period.
- 3.3 Members will note that 13 audit assignments have been finalised in the period.

3.4 The audit assignments summarised at **Appendix 1** are: -

COMMUNITY & CHILDREN'S SERVICES

- LEISURE ESTABLISHMENT SYSTEMS REVIEW

CORPORATE & FRONTLINE SERVICES

- BUILDING MAINTENANCE
- ENERGY MANAGEMENT
- RECYCLING - AWARENESS AND ENFORCEMENT
- TREASURY MANAGEMENT

EDUCATION & LIFELONG LEARNING

- ALAW PRIMARY SCHOOL
- BRYN CELYNNOG COMPREHENSIVE SCHOOL
- CILFYNYDD PRIMARY SCHOOL
- COEDPENMAEN PRIMARY SCHOOL
- CWMAMAN INFANTS SCHOOL
- MAES Y BRYN PRIMARY SCHOOL
- PONTYCLUN PRIMARY SCHOOL

WHOLE AUTHORITY ARRANGEMENTS

- PERFORMANCE INDICATORS

4. SUMMARY

4.1 The regular provision of all summarised audit assignments to Audit Committee throughout the year is aimed at assisting Members in evaluating the effectiveness of Internal Audit work across all Council systems and services.

4.2 In doing so, it enables Members to form an opinion on the overall control environment prior to the closure of accounts process for 2015/16.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE ACCESS TO INFORMATION ACT, 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

AUDIT COMMITTEE

7th December 2015

Report of the Group Director, Corporate & Frontline Services

Author: Marc Crumbie (Operational Audit Manager).

Item	File Ref:
8. Finalised Audit Assignments 2015/16	IA / MC

Contact Officer: Marc Crumbie
Operational Audit Manager
Bronwydd House
Porth
CF39 9DL
Tel. No. (01443) 680779

This page intentionally blank

FINALISED AUDIT ASSIGNMENTS

COMMUNITY & CHILDREN'S SERVICES
AUDIT NAME: LEISURE ESTABLISHMENT SYSTEMS REVIEW
DATE FINAL REPORT WAS ISSUED: 06/11/2015
<p>INTRODUCTION</p> <p>The Council provides a wide range of leisure and recreation facilities within its eight leisure establishments. These establishments provide a variety of indoor activities and courses such as swimming, fitness suites, fitness classes, squash, badminton, and 5 a-side football. Some establishments can also provide a venue for functions such as children's birthday parties, weddings and other social events.</p> <p>The overall responsibility for delivering the Council's Leisure Service lies with the Group Director, Community & Children's Services. Operational responsibility for the service is delivered by the Head of Leisure, Parks and Countryside who is line managed by the Service Director, Public Health & Protection.</p> <p>Traditionally, Internal Audit has visited individual leisure establishments on a cyclical basis. This Internal Audit review moved away from the previous approach and undertook a review of areas considered to be fundamental to the financial management of establishments.</p>
<p>SCOPE & OBJECTIVES</p> <p>In accordance with the agreed Internal Audit Plan for financial year 2015/16, agreed by Audit Committee, a review of key areas across a sample of six leisure establishments was undertaken. Audit testing was carried out based upon on a sample of transactions made during the financial year 2015/16 to ensure that fundamental controls were present and operating satisfactorily.</p> <p>The specific objectives of this review were:</p> <ul style="list-style-type: none"> • To ensure that there are adequate systems of control in place for the receipt, recording and banking of all income due to the Council. • To ensure that all Block Bookings are correctly treated and accounted for. • To ensure that applications are received for all functions/bookings and the cost is paid for prior to the event taking place. • To ensure that sundry debtor invoices are raised, monitored correctly and where necessary actively pursued.
<p>AUDIT OPINION</p> <p>The overall control environment relating to the areas reviewed across a sample of six leisure establishments is considered to be effective with opportunity for improvement.</p> <p><u>Collections & Deposits</u></p> <p>All establishments visited were found to manage this process well, with income received being accurate and supported by appropriate documentation.</p>

Internal Audit did not identify any discrepancies between income received and income banked. However; there are opportunities to strengthen this area further by ensuring that:

- The completion of standardised paperwork should be in place across all establishments.
- The method by which income is monitored should be consistent across all centres.

Block Bookings

The overall administration of block bookings was found to be managed well with procedures being consistently applied overall. However, one area was identified where consistent practices across all sites was not in place in respect of obtaining and retaining the required evidence from clubs and groups who have applied for VAT exemption.

Room Hire

From April 2015 Leisure Services introduced a new suite of application forms for the types of room hire available. There was found to be inconsistent use across all sites of the new proformas where old forms were still being used and one site did not have copies of the new forms.

This review also identified variations in the approach for receiving payments for room hire, specifically in relation to 'one off' events. Payment is required in advance of the hire taking place; however our review has confirmed that 'one off' events other than birthday parties are often paid for via invoice, after the event has taken place.

External Invoices

Sundry debtor invoices are mainly issued by centres for room hire (including facilities such as block bookings). Overall, the administration of issuing debtor invoices is managed well. This review has identified two areas where the control environment could be improved:

- Inconsistencies were noted in the timing of issuing sundry debtor invoices for block bookings. On occasion these were being issued earlier than required resulting in unnecessary recovery action being instigated by the Sundry Debtor Team.
- There are no consistent practices in place across all centres whereby income due is monitored to ensure that service users do not continue to use the facilities if they have outstanding invoices that should have been paid.

Implementation of the recommendations within the report will enhance the systems in place.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Medium	During the review it was identified that there are a number of versions of the 'Daily Income Return' pro-forma in use across the 6 sites visited. In some cases only one form is in use and in others there are two pro-formas used albeit capturing the same information. In one centre a weekly pro-forma is completed to coincide with the weekly Loomis income collections. This details the daily income total of cash and cheques along with the secure bag numbers and the receipt provided by the Loomis operative is attached.	Management should introduce a standardised Daily Income Return pro-forma across all sites. One format that is currently being used in Sobell's Leisure Centre for example would be most suitable as

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
	There is provision for this information to be recorded on the recommended Daily Income Return pro-forma and this would negate the need for a separate record.	it covers all required information on one document negating the need for two separate pro-formas to be used.
5.1.2 Medium	<p>The method by which banked income is verified varied in respect of the timescales and documents used. For example:</p> <ul style="list-style-type: none"> • Screen dumps are taken from Financials showing income in the ledger. This is done and checked on a weekly basis. • Some sites retain copies of the E>Returns and use these to highlight / tick the amounts as correct when identified on Financials. This method is usually done on a monthly basis which takes longer to undertake because of the number of entries to be checked. <p>In addition to the variation between the banked income being verified, the process of retaining copies of the E>Returns also varied across the sites with some retaining a copy of the completed E-return whilst others only retain the acceptance slip which is simply a confirmation that the return was received correctly but does not show the actual amounts.</p>	<p>Management should ensure that each site is regularly monitoring / checking income in a consistent manner.</p> <p>All sites should retain a copy of the full E>Returns, these can be attached to the Daily Income Return.</p>
5.2.1 Medium	<p>Clubs and groups have the ability to apply for VAT exemption on their block bookings. There are specific HMRC guidelines on the treatment of VAT on block bookings which may allow the booking to be exempt from VAT.</p> <p>A review of a sample of block bookings has identified inconsistency across the service relating to the evidence held at centres that substantiates the VAT exemption.</p>	<p>Management should ensure that all site managers are fully aware of the requirement to obtain evidence for all clubs/groups that currently have a VAT exemption. The evidence for which should be obtained and held at each centre for audit purposes.</p> <p>For those clubs or groups that apply for VAT Exemption in the future, copies of the evidence should be retained.</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.3.1 Medium	<p>It is a requirement that bookings such as birthday parties are paid, in full, at the time of booking. However, a review of other types of 'one off' events identified there is some inconsistency as to when and how payment is made.</p> <p>Instances were noted whereby individuals booking a room for a 'one off' event have been issued invoices, rather than paying in full when the booking was made.</p> <p>It is acknowledged that there are some external bodies / groups who pay for events via sundry debtor invoices however; instances were noted whereby the subsequent invoices were not issued until after the event had taken place.</p>	<p>Management should re-enforce the message to all staff that all 'one off' bookings are paid for in full at the time the booking is made.</p> <p>Where external bodies require the receipt of a sundry debtor invoice in order to make a payment, then staff must ensure that the invoices are issued and paid prior to the event taking place.</p>
5.3.2 Medium	<p>In April 2015 Leisure Services devised a new suite of booking application forms for birthday parties, Sports Bookings and Facility Hire.</p> <p>However, during the review it was noted that there were instances whereby the incorrect application forms have been used to take bookings. This included using the old bookings forms.</p>	<p>Management should also ensure that all sites have been supplied with the new application/booking forms and that these are used at all times.</p>
5.4.1 Medium	<p>Clubs and groups regularly use the Council's leisure facilities and do so by 'booking a block' of sessions. It is a Council requirement that a minimum of 10 sessions be booked in any one block.</p> <p>In recognition that clubs and groups do not receive payment for a 'full block' from their attendees from the outset, the Council grants them dispensation not to pay for the full block booking in advance.</p> <p>On this basis, clubs and groups are issued with an invoice prior to the end of the block booking in question.</p> <p>Noting the above, there is currently no set timeframe as to when invoices are to be issued during the 'booked period'.</p> <p>The absence of specific guidance has resulted in some debtor invoices being raised too soon.</p>	<p>The issuing of sundry debtor invoices in respect of Block Bookings should be co-ordinated so that the 21 days payment terms coincide with the end of the block booking.</p>
5.4.2 Medium	<p>One of the main risks to all centres is that service users continue to use a facility even though they may have been issued with an invoice that has not been paid. This risk is particularly relevant to areas of the service such as block booking.</p>	<p>Staff responsible for issuing sundry debtor invoices need to ensure that they regularly interrogate the</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
	<p>At some centres the debtors system is checked to determine whether any invoices issued have actually been paid - but not all centres do this and therefore the approach is inconsistent across the sites.</p>	<p>Debtors system to ensure that groups / clubs / individuals and organisations are paying their invoices by the expected due dates. There also needs to be communication with service users where necessary, to remind them of any unpaid invoices and when payment is/was due.</p> <p>Where actual payment has been received, the date of payment should be recorded on the necessary paperwork.</p> <p>Management also need to ensure that where groups have failed to pay an invoice by the required dates that they are refused use of the facilities until such time as any outstanding invoices are fully paid.</p> <p>Where groups persistently fail to pay invoices on time then the privilege of paying retrospectively should be withdrawn.</p>

CORPORATE & FRONTLINE SERVICES

AUDIT NAME: BUILDING MAINTENANCE

DATE FINAL REPORT WAS ISSUED: 08/10/2015

INTRODUCTION

Following a formal EU Procurement tender process, a new Reactive Maintenance Term Contract (RMTC) was created with two contractors with effect from the 4th January 2014. These contractors work in 2 specific lots: 'East RCT' and 'West RCT'.

One part of the contract highlights which sites / buildings each contractor is responsible for and neither is allowed to undertake reactive repairs within the other's area.

Both contractors are paid for reactive works undertaken (up to £5,000) as per the National Schedule of Rates (NSR) Terms or Day Rates (time and materials). Both contractors apply the same discount to this National Schedule of Rates.

The Corporate Estates Service receive calls from sites requesting reactive repairs, this is logged onto the Atrium system and referred to the responsible building surveyor to assess the repair. All authorised repairs are given a priority code for the contractor based on its importance, ranging from emergency response within 1 hour to on site within 2 days and completion of works within 10 days.

The Corporate Estates Service is also responsible for liaising with the site during the repairs and for receiving and paying the invoices from each contractor.

SCOPE & OBJECTIVES

In accordance with the agreed Internal Audit Plan for the Financial Year 2015/2016, which has been agreed by Audit Committee, a review of Building Maintenance was undertaken specifically focussing on the Council's administration of reactive repairs.

The specific control objective examined was to ensure that:-

- All reactive repairs reported to the Corporate Estates Service by site managers are managed in line with the requirements of the Repairs and Maintenance Term Contract.

AUDIT OPINION

Overall the control environment in respect of the administration of reactive repairs is considered to be effective with opportunity for improvement.

With regards to the specific objectives examined, it was established that the procedures in place to administer and action all repairs requested by site managers are sufficient, however, the following was noted:

- RMTC contractors are required to sign the Asbestos Management Plan (AMP) when they arrive at a site to carry out repairs. For the 21 repairs sampled, the contractors had failed to sign the register on 14 occasions.

In addition to the issue raised above, more minor issues were noted:

- 2 of 21 completed repairs did not have any evidence to support the building surveyor authorising the repair to go ahead.
- 3 of 17 repairs had not been completed in line with the RMTC priority codes.

<ul style="list-style-type: none"> The contractors did not arrive on-site in line with the RMTC priority codes for 4 of the 21 repairs. 1 of 15 repairs had a completion date recorded in Atrium which differed to the job sheet completed by the engineer. <p>Implementation of the recommendations contained within this report will enhance the management controls already operating.</p>		
SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Low	<p>When a repair request is received by the Corporate Estates Service it is logged onto the Atrium system and the order printed for a building surveyor to complete and authorise the repair to go ahead.</p> <p>For a sample of 21 repairs examined there was no authorisation for the following 2 repairs:</p> <ul style="list-style-type: none"> Order number 283764, paperwork appropriately completed, with the exception of the signature of the building surveyor. Order number 284034, paperwork could not be located, therefore no evidence to support the building surveyor authorising the repair to go ahead. 	<p>All requests for repairs to go ahead should be authorised by a building surveyor and the evidence to support this decision should be retained on file.</p>
5.1.2 Medium	<p>Each request for repair should be allocated a priority code by the Corporate Estates Service. Each code states how quickly the contractor should be <u>on site</u> to make safe and how quickly the works should be completed within.</p> <p>A sample of 21 repairs were selected to ensure that the contractors visited the site to make safe within the contract term, delays were noted with 4:</p> <ul style="list-style-type: none"> Order number 284909, 29/1/15, code 2 'response within 24 hours'. Upon review, code 4 should have been used. Order number 287367, 27/3/15, code 1 response within 2 hours, on site 1/4/15. Order number 291977, 7/5/15, code 3 response within 48 hours, on site 14/5/15. Order number 289211, 16/4/15 code 3 response within 48 hours, on site 22/4/15. 	<p>All contractors should be reminded that they should comply with the timescales highlighted in the RMTC contract.</p> <p>Management should monitor each contractor's performance against the RMTC and if necessary meet with the contractors to discuss breaches to ensure that on site visits are being made within the timescales requested by building surveyors.</p> <p>Building surveyors should ensure that the priority code given to each works order is correct / realistic.</p>
5.1.3	<p>A sample of 17 repairs were examined to ensure that the contractors <u>completed the repairs</u> within the</p>	<p>All contractors should be reminded</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
Medium	<p>required timescales for orders up to £5,000.</p> <p>It was established that 3 had not been completed in line with the requirements:-</p> <ul style="list-style-type: none"> • Order number 283988 issued as a code 3, 12/01/015, completion target date of the 23/1/15. The works were completed 1/4/15, approximately 10 weeks late. • Order number 284909 issued as a code 2, 29/1/15 completion target date of 4/2/15. The works were completed 20/2/15, 16 days late. • Order number 287367 issued as a code 1 27/3/15, completion target date of 30/3/15. The works were completed 1/4/15, 2 days late. 	<p>that they should complete repairs in line with the required timescales.</p> <p>Management should monitor each contractor's performance against the RMTC and if necessary meet with them to discuss any breaches to ensure that repairs are being completed within the time scales requested by building surveyors.</p>
5.1.4 Low	<p>All repairs are controlled and monitored using the computer system Atrium which is accessed by both Council staff and authorised contractors.</p> <p>The works completion dates recorded in Atrium for 15 completed repairs were checked for accuracy. It was noted that the dates had been incorrectly recorded for one:</p> <ul style="list-style-type: none"> • Order number 284034, completion date on Atrium recorded by the contractor 15/1/15, however the completion date on job sheet completed by the engineer was the 19/1/15. 	<p>The contractors should be reminded that they should enter information accurately into the Atrium system.</p> <p>Management should ensure that the information being entered by contractors is accurate.</p>
5.1.5 High	<p>Each Council building has an Asbestos Management Plan (AMP) which has been developed and delivered to each building manager by the Asbestos Team within Corporate Estates.</p> <p>Each AMP clearly identifies Asbestos identified in the building and this asbestos is highlighted to each building manager.</p> <p>When a contractor visits the site to undertake works / repairs they should read the AMP and complete section 5 (Diary of Works) to acknowledge they have read and understood the plan and indicated if the works can be carried out safely.</p> <p>For the 21 sites where works / repairs were undertaken by the RMTC contractors, it was established that section 5 of the AMP had not been signed on 14 occasions.</p>	<p>All building managers should be reminded that the AMPs should be read and signed by all contractors.</p> <p>All contractors should be reminded that they should request the AMP and sign 'Section 5' to demonstrate they are aware of the position of the asbestos (if any) in the building.</p>

AUDIT NAME: ENERGY MANAGEMENT

DATE FINAL REPORT WAS ISSUED: 04/11/2015

INTRODUCTION

The Council is a mandatory registered participant in the UK Government's Carbon Reduction Commitment Energy Efficiency Scheme (CRC) - an energy saving and carbon emissions reduction scheme for the UK.

As a participant of the Scheme, the Council is required to produce an 'Evidence Pack', which is subject to audit by the CRC Regulator in Wales, Natural Resources Wales (NRW). The Pack must contain information describing the structure of the organisation and also explain the processes in place for measuring the consumption of energy. Essentially this defines the sources that need to be monitored / included in the Scheme. It must also contain the 'raw data' such as meter readings, invoices and calculations that record the consumption values themselves.

Since 2008 the Council has an annual obligation to display in buildings, that are frequently visited by the public, a Display Energy Certificate (DEC) showing the buildings energy performance compared to a national benchmark. The Council must display a DEC in a prominent place clearly visible to the public and have in its possession or control a valid advisory report. The advisory report contains recommendations for improving the energy performance of the building. The DECs provide an energy rating of the building from A to G, where A is very efficient and G is the least efficient.

For buildings with a Gross Internal Area (GIA) of more than 1000m², DECs must be renewed every 12 months. For buildings with a GIA of between 250m² - 999 m², the DECs must be reviewed every 10 years. Advisory reports are renewed every 7 years.

SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2015/16, as agreed by Audit Committee, a review of the reporting arrangements for Carbon Reduction Commitment and the management surrounding Display Energy Certificates was undertaken.

The specific control objectives examined were:

- The Council can demonstrate that an Evidence Pack compliant with Natural Resources Wales is available to support the annual CRC report.
- The Council can demonstrate that it is complying with the regulation SI2008/647, the energy performance of buildings.

AUDIT OPINION

Overall the control environment in respect of the administration of the Carbon Reduction Commitment and the Display Energy Certificates are considered to be effective with opportunity for improvement.

With regards to the specific objectives examined:-

Carbon Reduction Commitment (CRC)

The review has identified that the Council can demonstrate that an evidence pack is available to support the annual CRC report and the examination of a sample of transactions identified that actual gas and electricity readings had been accurately reported. However, issues were noted:-

- Officers are not always providing meter readings to enable actual readings to be submitted and;
- Installed meters capable of providing actual readings are failing to do so.

Display Energy Certificates (DECs)

There are efficient and effective procedures in place to administer and issue Display Energy Certificates (DECs). However, this review identified that:

- Not all sites had a valid DEC in place.
- Not all building managers are acknowledging the receipt of their DECs / advisory reports.
- Not all building managers were able to physically locate the advisory reports produced by the Energy Team.

Implementing the recommendations contained within the report will enhance the control environment in place.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Medium	<p>Since 2008 the Council has an obligation to display in buildings that are frequently visited by the public, a valid Display Energy Certificate (DEC) showing the building's energy performance compared to a national benchmark.</p> <p>Examination of the records held centrally for a sample of 72 noted that:-</p> <ul style="list-style-type: none"> • Aberdare Park Primary School - DEC expired January 2015 • Hendreforgan Primary - 2 DECS required, 1 expired Jan 2015 • Treorchy Primary - buildings 2 and 4 - No DEC. • Trerobart Primary - No DEC • YGG Bodringallt - No DEC 	<p>Management should review each of the 7 sites listed and produce and issue a DEC.</p>
5.1.2 Medium	<p>When the Energy Team issue a DEC in the post to a site they enclose in the envelope a form to be completed and returned by the site manager to indicate receipt and to confirm that it will be displayed in a prominent position for the public to view.</p> <p>All responses received are recorded on a database, and follow up letters are sent where there has been no reply.</p> <p>Examination of the database identified that sites have failed to acknowledge 38 certificates being received from a total of 316 issued.</p>	<p>Management should continue to issue reminder letters for all sites who fail to acknowledge receipt of the DECs.</p> <p>If considered necessary senior management should be informed of sites failing to respond in order for them to escalate as required.</p>
5.1.3 Medium	<p>An advisory report contains details of how to improve the energy performance of the building.</p> <p>From a sample, only 3 of 13 sites visited were able to locate their reports, the 10 sites who could not locate the reports were:-</p>	<p>Management should establish with the regulator whether each site has to physically have a copy of their</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
	<ol style="list-style-type: none"> 1. Cwmclydach Primary School. 2. Cynon Valley Indoor Bowls Centre. 3. Rhondda Fawr Sports Centre 4. Aberdare Library 5. Sobells Leisure Centre 6. Llantrisant Leisure Centre 7. Cwmbach Church in Wales Primary School 8. Ty Trevithick 9. YGG Llyn y Forwyn 10. Maerdy Primary School <p>Advisory reports for the sites noted above were held by the Corporate Estates Service.</p>	<p>advisory report or whether a copy of the report held by the Energy Team will suffice.</p> <p>If it is established that site managers have to physically retain a copy, management need to provide copies to those highlighted in this report and conduct an exercise to establish which sites have / do not have a copy of their advisory reports and reissue.</p>
<p>5.2.1</p> <p>Medium</p>	<p>The annual CRC return includes both actual and estimated gas and electricity readings from applicable Council sites.</p> <p>A sample of 5 sites reporting actual readings and 5 sites reporting estimated readings were examined to ensure that each had been correctly reported on the annual return.</p> <p>All actual readings were correctly submitted, however, issues noted at 3 of the sites reporting estimated readings, as follows:-</p> <ul style="list-style-type: none"> • Pentre Municipal Offices (electricity), readings correctly reported as estimated, however staff at the building have the ability to provide actual readings. • Ferndale Infants School (gas) readings correctly reported as estimated according to the meter billing information received, however the site has an Actual Meter Reading (AMR) facility which should be used. • Llantwit Fardre Sports Centre (gas) readings correctly reported as estimated according to the meter billing information received, however the site has an AMR meter which should be used. <p>As a result of the issues identified in bullet points 2 and 3 above, further examination established that there are a further 8 sites reporting gas as estimate usage each with AMR meters installed and should therefore be reporting actual readings.</p>	<p>Management should ensure that the energy reported for each building is accurate.</p> <p>All sites with AMR meters should submit actual and not estimated readings.</p> <p>Where possible, actual readings should be reported rather than estimated. Management should ensure that site managers are reporting energy usage to enable actual readings to be reported on the annual return.</p>

AUDIT NAME: RECYCLING - AWARENESS AND ENFORCEMENT

DATE FINAL REPORT WAS ISSUED: 27/10/2015

INTRODUCTION

The management of municipal waste forms one of the Council's priorities for 2015/16. A detailed action plan is in place that aims to reduce residual waste sent to landfill and increase the overall recycling rate of the Council. One of the strategic risks the Council faces in relation to delivering this priority is:

- *If the specific root causes of areas where recycling is known to be low are not identified and addressed then the amount sent to landfill will not necessarily reduce resulting in financial penalties from the Welsh Government.*

The Council's Waste Management Service has introduced a number of initiatives which are all aimed at encouraging residents to recycle more, these include:

- Fortnightly waste collections (black bags);
- Limiting the number of black bags that each household can put out; and
- Obtaining management information where persistent areas of the borough are not recycling / where recycling quality appears to be low.

Enforcement Teams monitor the data captured by collection crews who note the addresses where either no recycling is undertaken or they have exceeded the number of black bags. These teams make house to house visits which aim to inform and educate on the importance of recycling. These Enforcement Officers also have the power to impose a £75 Fixed Penalty Notice (FPN) to persistent non-recyclers.

SCOPE & OBJECTIVES

The primary purpose of the review is to provide management with an opinion on the effectiveness of the systems in place that aim to tackle the root causes of persistent non-recyclers.

The specific objectives of this review were:

- To assess the processes by which information is gathered by collection teams and how this is then used to identify areas of low participation.
- Having identified areas where participation appears to be low, to review the mechanisms by which the Enforcement Team aim to increase recycling rates.

AUDIT OPINION

The Council's ability to influence and educate residents on the importance of recycling is dependent on the data that is captured by frontline operatives. Whilst the systems in place to capture this data are still in their relative infancy, they are considered to be effective with opportunity for improvement.

On review, it was noted that there may be a number of factors that influence the effectiveness of the data:

- No standardised pro-forma in place for vehicle crews to record issues.
- Information is not recorded in a central database.

The information being gathered by crews is inconsistent, this may be because they are unclear as to what constitutes an offence. This potentially impacts

the quantity of offences to be actioned either by an 'educational visit' or by means of issuing a Fixed Penalty Notice for persistent offenders by the Enforcement Team. It is therefore essential that an effective data gathering and recording process is put into place immediately. The introduction of a standardised proforma to be completed by crews is required and this needs to be consistently applied across all crews and completed correctly. A centralised database to record reported offences identified by the crews is required. The admin staff at the two depots will need to complete this database which should be populated with the results of enforcement action i.e. details of all Fixed Penalty Notices issued, paid, and outstanding along with all other actions that have taken place as a result of the report (an educational visit for example).

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 High	There is no consistent approach/method in place to record waste related offenses.	Management should introduce a standardised pro-forma to be used when recording key information relating to potential waste related issues that require further investigation/action.
5.1.1 High	There is currently no database in operation for the recording of waste offences data - other than the manual records compiled by refuse staff and / or the e-mails received from the depots which are inconsistent.	Management should devise an electronic database whereby all waste offence data is recorded. This will allow the information to be accessed quickly and various reports / information to be extracted from this database for future use, as well as providing feedback to depots of waste related enforcement activity.

AUDIT NAME: TREASURY MANAGEMENT

DATE FINAL REPORT WAS ISSUED: 19/11/2015

INTRODUCTION

The Treasury Management Team undertakes the management and control of the Council's borrowing and investment function, a service delivered from within the Corporate and Frontline Services Group (Finance Division).

Effective management and control of risk is a prime objective of Treasury Management activities.

SCOPE & OBJECTIVES

In accordance with the Internal Audit plan for 2015/16, a review of Treasury Management was undertaken.

The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the Treasury Management Team.

AUDIT OPINION

Overall, the control environment in respect of Treasury Management is considered to be effective.

At the Full Council meeting held on 25th March 2015, Members approved the Treasury Management Strategy, Investment strategy, Prudential and Treasury indicators and the Minimum Revenue Provision (MRP).

On the 22nd July 2015, Council received and agreed the 2014/15 Annual Treasury Management review.

The process developed to manage the Council's investments and borrowing is considered robust and effective.

For the sample selected it was established that low risk investments had been placed with either the Debt Management Office (DMO) or other Public Bodies, which was in line with the Treasury Management Strategy and all had been correctly authorised by a senior member of staff, based on the funds available each day.

To date the Council has not taken out any new long term loans in 2015/16.

From September 2015 additional controls were introduced by the team in respect of New Beneficiary / Change of Beneficiary details. These controls include the completion of a Beneficiary Bank Detail Form and independent checks from the Barclay's Internet Banking Administrator to ensure that all Beneficiary details have been input and verified correctly. The fieldwork for this review confirmed compliance with the new procedures.

No Recommendations Made

EDUCATION & LIFELONG LEARNING

AUDIT NAME: ALAW PRIMARY SCHOOL

DATE FINAL REPORT WAS ISSUED: 22/10/2015

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and their support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls. Alaw Primary was last subject to an Internal Audit Review in January 2011 and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2015/16.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered and this complies with the School Private Fund Regulations laid down by the Authority.
- To ensure the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all income due to the Council is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.

AUDIT OPINION

The control environment at Alaw Primary School is considered to be effective with opportunity for improvement.

The Headteacher maintains a record of staff DBS details, including reference numbers and date of check. There is a certificate at the school stating that the 'whole school' received level one safeguarding training in December 2012. However, there is no central record that confirms which members of staff attended this training, therefore a Safeguarding training record should be introduced. All staff are due to be trained again in November 2015. Educational visits are recorded and approved on Evolve, however from a sample of 5 visits examined, 3 were approved after the visit took place.

In terms of the School Private Fund, there were no issues in terms of banking income. The School Clerk maintains an electronic ledger, which is printed monthly and signed once reconciled. The nature of the expenditure examined was appropriate. There was no receipt to support one purchase totalling £14,

and it was also found that personal loyalty cards are used when making School Private Fund Purchases, which is not permitted. All Purchase Card transactions examined were appropriate and supported by receipts / confirmation. The Purchase Card at the School is supported by an up-to-date transaction log. The Purchase Card is not shared, and no cash is withdrawn. School meals income is banked twice a week. There was evidence that the income recorded and banked for the sample period was reconciled with the record maintained being to a good standard. Authorisations were present for the sample of free school meals pupils examined. Implementing the recommendations in the report will ensure that the current levels of control are enhanced.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
<p>5.1.1 Medium</p>	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies.....should ensure that the Headteacher and all other permanent staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</i></p> <p>There was a certificate in the Safeguarding file stating that Alaw Primary School completed the level one child protection training on 3rd December 2012; however there was no record to demonstrate which members of staff attended this training. Staff are due to receive further training in November 2015.</p>	<p>The School should develop a central training record, to demonstrate the date and level of attainment alongside individual staff names. This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the policy's annual review.</p>
<p>5.1.2 Medium</p>	<p>5 educational visits were selected for review. The following 3 were approved after the visit took place: <u>Techniquet</u> Date of Visit - 20th May 2015. Date approved - 1st July 2015. <u>Caerphilly Castle</u> Date of Visit - 30th April 2015. Date approved - 1st July 2015. <u>Garw Nant</u> Date of Visit - 11th and 13th March 2015. Date approved - 1st July 2015.</p>	<p>All educational visits should be reviewed and approved on Evolve by the Educational Visits Coordinator prior to the date of the visit.</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.2.1 Low	<p>Point 5.3 of the School Private Fund Regulations states: <i>'Personal loyalty cards must not be used when making purchases on behalf of the School Private Fund. Whilst not significant in terms of value, this is to protect individuals against any allegation of personal gain. Loyalty cards in the name of the school are acceptable'</i>.</p> <p>When examining the expenditure during the sample period, it was identified that a member of staff gains loyalty points when purchasing goods via the School Private Fund.</p>	In future, personal loyalty cards should not be used when making purchases on behalf of the School Private Fund.
5.2.2 Low	<p>A receipt could not be located for 1 of the 15 School Private Fund purchases examined:</p> <ul style="list-style-type: none"> • 9th June 2015 - Urdd membership £14. Cheque number 584. <p>In addition, no Record of Expenditure Made Without Receipt Form was completed.</p>	All expenditure should be supported by a relevant receipt / invoice as proof of payment. Where such documents cannot be obtained, the Treasurer must record the details of the purchase on a Record of Expenditure Made Without Receipt Form (Appendix 8 of the School Private Fund Regulations).

AUDIT NAME: BRYN CELYNNOG COMPREHENSIVE SCHOOL

DATE FINAL REPORT WAS ISSUED: 06/10/2015

INTRODUCTION

Bryncelynnog Comprehensive School was last subject to a routine Internal Audit visit in January 2014. Following the presentation of the report to Audit Committee on 16th June 2014, a follow-up review was requested, to ascertain whether recommendations made at the time have been successfully implemented.

SCOPE & OBJECTIVES

During the last review in January 2014, all fundamental financial and governance systems in operation at the School were reviewed, audit work was carried out on the following areas of administration:

- Governance
- Safeguarding
- School Income
- School Private Fund
- Purchasing
- Purchase Card

This follow up review of Bryncelynnog Comprehensive School examined the action taken by Management since the recommendations made were agreed in May 2014.

This report provides an opinion on whether Management have successfully implemented the agreed recommendations.

AUDIT OPINION

Having completed our follow up review, the overall control environment at the school is considered to be effective with opportunity for improvement.

Of the 20 recommendations made at the time of the last review, all but 6 have been fully implemented and it is therefore acknowledged that the School has demonstrated a clear commitment to addressing the findings contained within the 2014 audit report.

All recommendations made in respect of School Governance have been addressed. The delegated authority for the Headteacher to commit the School to expenditure has been documented and agreed by Governors and any additional attendees to Governing Body meetings are now listed in the Governing Body minutes as guests.

There is still uncertainty in terms of Safeguarding training which has been undertaken by staff as there is still no formal record at the school to document details of any training undertaken. It is acknowledged that a training file has been set up by the School Bursar and that staff are required to provide copies of their certificates obtained following on-line training via the EduCare system. However, audit testing identified that only 37 members of staff have provided copies of their certificates from a staffing profile of 135, of which 66 are teaching staff.

The School Private Fund is well run, with detailed records that provide an adequate audit trail for all income and expenditure transactions. The account is

subject to regular reconciliation and a copy of the most recent bank mandate is held on file. This report recommends that in the event of a receipt for expenditure not being obtained, that a Record of Expenditure Without Receipt form be completed with full details of the expenditure incurred, and contain two staff signatures to demonstrate that the payment is appropriate.

Improvements have been made in terms of School Income. The School have introduced a standard booking form which is attached to the School Letting Policy, to capture all requests for the hire of the School's facilities. However, the booking form should be enhanced to include associated terms and conditions of payment for the hire of School facilities, and debt recovery procedures. Similarly, the School Financial Procedures Document should also be enhanced to define the individual staff responsibilities across all areas of the School's financial administration, including arrangements in respect of invoicing and debt recovery procedures and the treatment of VAT.

Whilst there is a transaction log at the School in respect of the purchase card, this is only updated upon receipt of the bank statements and not when a transaction occurs.

Implementing the recommendations contained within this report will ensure that the current levels of control are enhanced.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Medium	From a sample of ten paid orders selected from SIMS for examination, four of these orders were not raised on SIMS until after receipt of the goods and corresponding invoice (order numbers 490214129, 4902141537, 4902150074 & 4902150349).	An order (confirmation if made by telephone) should be raised on SIMS as soon as a commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and that there is a hard copy of the items ordered at the school which can be used to check the subsequent delivery of goods and relevant invoice.
5.2.1 Medium	Whilst a School Letting Policy and agreement is now in place, the following was noted: <ul style="list-style-type: none"> • VAT is not being charged. • The Block Booking VAT exemption conditions are not included in order for the School to determine whether or not to charge VAT. • The conditions of hire do not state payment terms and conditions. 	The School should enhance its current letting agreement to include provision for VAT exemption conditions and arrangements in respect of invoicing and debt

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
	<ul style="list-style-type: none"> No reference is made to School facilities, only room hire. 	<p>recovery procedures.</p> <p>The revised instructions / guidance should be put into place with immediate effect.</p>
<p>5.2.2</p> <p>Medium</p>	<p>Whilst the Financial Procedures and Responsibilities details responsibilities for financial administration at the school, the actual duties for the individual administrative staff have not been clearly defined.</p>	<p>The School Financial Procedures and Responsibilities should be enhanced to define system processes and the individual staff responsibilities for all areas of the School's financial administration.</p> <p>Once completed, the procedures should be presented to the Governing Body for approval and issued to all appropriate members of staff.</p> <p>NB: Any revision to the Policy should take into account recommendations raised within in this report.</p>
<p>5.3.1</p> <p>High</p>	<p>Examination of the School Private Fund expenditure for July 2015 identified 1 occasion where a receipt was not available to support the expenditure incurred (Cheque number 705455 for £5,377.50).</p>	<p>In accordance with the School Private Fund Regulations, all items of expenditure must be supported by a relevant receipt / invoice / voucher, as proof of payment.</p> <p>Where, due to exceptional circumstances, such documents cannot reasonably be provided the</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
		<p>Treasurer must record the details of the purchase on a Record of Expenditure Made Without Receipts Form, which must be signed by the member of staff who incurred the expenditure and witnessed by a second member of staff. (N.B. This should be avoided wherever possible.).</p> <p>An example of this form is included within the School Private Fund Regulations, as Appendix 8.</p>
<p>5.4.1 Medium</p>	<p>Section 3.16 of Safeguarding Children in Education: The role of Local Authorities and Governing Bodies under the Education Act 2002 (WAG circular 005/2008) states that: <i>'Governing Bodies should ensure that the Headteacher and all other permanent staff and volunteers who work with children undertake appropriate training to equip them to carry out their responsibilities for child protection'</i>.</p> <p>The Headteacher, (who, together with the Assistant Headteacher is the school's nominated Child Protection Officer) stated that all staff have access to the EduCare on-line Child Protection refresher course and that staff are required to provide the School Bursar with a copy of their certificates on completion of the course.</p> <p>However, a comparison of the current teaching staff employed at the School with the certificates present on file identified that of the 66 teachers (including Headteacher) employed at the School, certificates were available for 37.</p>	<p>The School should develop a central training record that includes the date and level of attainment alongside individual staff names.</p> <p>This could be incorporated into the Child Protection policy to allow the assessment of training requirements to coincide with the policy's annual review.</p> <p>As a minimum, Level 1 Safeguarding training should be promptly arranged for all staff, including support staff who are yet to have undertaken the course.</p>
5.5.1	Section 6 of the Cardholder Manual for School document issued by Procurement Services states that:	It is imperative that details of all

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
Medium	<p><i>'Each Purchasing Card transaction should be recorded on the transaction log as soon as the transaction is complete to ensure that no information is omitted'.</i></p> <p>The school has one purchase card, held by the Finance Office, however, it was established that the transaction log is only being updated upon receipt of the Bank Statements.</p>	<p>Purchase Card transactions be promptly updated onto the Transaction Log immediately when a purchase has been made.</p> <p>The Transaction Log should then be used to reconcile the Bank Statements upon receipt, with these records signed and dated to confirm when and by whom the process was undertaken.</p>

AUDIT NAME: CILFYNYDD PRIMARY SCHOOL

DATE FINAL REPORT WAS ISSUED: 06/11/2015

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and their support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Cilfynydd Primary was last subject to an Internal Audit Review in March 2011 and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2015/16.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the Fund is appropriately administered and this complies with the School Private Fund Regulations laid down by the Authority and other legislations.
- To ensure the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all income due to the Council is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.

AUDIT OPINION

The overall control environment at Cilfynydd Primary School is considered to be effective.

There is a Child Protection Policy and a Safeguarding Policy at the school, both of which are reviewed on an annual basis. All staff at the School have appropriate DBS checks. All staff at the school received Safeguarding training at the beginning of the academic year and each member of staff completed a questionnaire following the training to demonstrate their understanding. The questionnaires have been retained by the Headteacher in the Safeguarding file. The Evolve system is used to record all school trips; however the Headteacher currently creates educational visit forms on Evolve when planning visits, and subsequently approves the visits also. This process requires segregation.

A sample of income and expenditure transactions were examined from the School Private Fund. The income reconciled, and all bankings were undertaken in a timely manner. The expenditure was appropriate in nature, and supported by relevant receipts. The Annual Certificate and audited accounts for academic year 2014-15 have been prepared and audited, in readiness for submission to Education Finance.

The school has one Purchase Card. An up to date transaction log is maintained and receipts were present to support each of the transactions examined as a sample. There is a record in place to document when the Card is shared among staff and is authorised by the Headteacher. No cash is withdrawn. All school meals income examined during the sample period was appropriately recorded and banked. The School Clerk banks dinner money on a weekly basis. The School Clerk and School Cook compare the number of meals ordered to the number of meals served on a daily basis. There were free school meals authorisations present for the sample of pupils examined.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Medium	Currently, the Headteacher creates educational visits on Evolve, and subsequently approves the visits also.	When planning educational visits, the details should be entered onto Evolve by the relevant Teacher. The visit should then be approved by a different member of staff who has been designated as EVC and / or the Headteacher.

AUDIT NAME: COEDPENMAEN PRIMARY SCHOOL

DATE FINAL REPORT WAS ISSUED: 23/10/2015

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and their support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls. Coedpenmaen Primary was last subject to an Internal Audit Review in January 2011, and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2015/16.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002 and ascertain the level of compliance in respect of EVC guidelines.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2012 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by Procurement.
- To ensure that all income due to the Council is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.

AUDIT OPINION

The control environment at Coedpenmaen Primary School is effective with opportunity for improvement.

The Headteacher maintains a comprehensive record of staff DBS details, including reference numbers, date of check, details of safeguarding training attended and the dates attended. However the Headteacher is still in the process of updating this record to reflect the training that all staff and volunteers attended at the beginning of the academic year.

The School Private Fund is well administered. The income examined during the sample period was reconciled and there were no delays in banking. There were also no issues in terms of the nature of expenditure examined during the sample period and receipts were present to support all of the expenditure.

Currently, only one person has been appointed to audit the School Private Fund accounts. The second Auditor is yet to be decided but will need to be appointed as soon as possible to ensure that the School Private Fund accounts are audited and returned to Education Finance by 31st December as per the Regulations.

There have been issues in amending the bank mandate for the School Private Fund in order to add the Headteacher and Deputy Headteacher as signatories. The School Clerk is still in contact with the bank regarding this matter. It should be ensured that this is addressed as soon as possible as currently there are only 2 cheque signatories for the account; one of which is part-time and subsequently there have been delays in processing payments.

There are 2 Purchase Cards at the School. All Purchase Card transactions examined were appropriate and were supported by receipts / confirmation. There were transaction logs for both cards, and a signing in and out record for when the cards are shared. No delays were identified in banking school meal income. Implementing the recommendations in the report will ensure that the current levels of control are enhanced.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
<p>5.1.1 Low</p>	<p>There is a comprehensive record at the school listing all staff and volunteers, their DBS details (i.e. DBS reference numbers and DBS check date); details of all safeguarding training attended and on what dates the training took place. The Headteacher is still in the process of updating this record for the training completed by staff at the beginning of the academic year. In addition, when comparing this record to the list of staff obtained from Vision prior to the review, it was identified that there are 7 members of staff still on Vision that are no longer employees of the school. (Note: all were 'casual' members of staff and did not receive any form payment, i.e. these were not overpayments).</p>	<p>It should be ensured that the school's safeguarding record is updated in full to reflect the training staff attended at the beginning of the academic year. The Headteacher should contact HR to ensure that the members of staff no longer working at the school are removed from Vision.</p>
<p>5.2.1 Medium</p>	<p>Point 2.2 of the School Private Fund Regulations states: <i>'Two auditors must be appointed to audit the accounts'</i>. At present, only one Auditor has been appointed to audit the 2014/15 School Private Fund accounts.</p>	<p>A second Auditor should be appointed as soon as possible in order for the 2014/15 accounts to be audited by the 31st December as per the School Private Fund Regulations.</p>
<p>5.2.2 Low</p>	<p>The School Private Fund cheque signatories are currently the School Clerk and a part-time Teacher. The School Clerk has been experiencing some issues with the bank when trying to add the Headteacher and the Deputy Headteacher as additional signatories. This issue is still ongoing.</p>	<p>The School Clerk should continue to liaise with the bank to add the Headteacher and Deputy Headteacher as additional signatories.</p>

AUDIT NAME: CWMAMAN INFANTS SCHOOL

DATE FINAL REPORT WAS ISSUED: 23/10/2015

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and their support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls. Cwmaman Infants School was last subject to an Internal Audit Review in January 2011 and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for chequebook primaries comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2015/16.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the Fund is appropriately administered and this complies with the School Private Fund Regulations laid down by the Authority and other legislation.
- To ensure the Purchase Card is being used in accordance with the guidance and procedures issued by Procurement.
- To ensure that all income due to the Council is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that the school's budget has been approved by the Governing Body, and to ensure that the budget set by the school complies with the 'Fair Funding : Scheme for Financing Schools, is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the school's computers are restricted, that computer hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.

AUDIT OPINION

The overall control environment at Cwmaman Infants School is considered to be effective with opportunity for improvement. There is a record at the School of staff DBS details; however it has not yet been updated with new members of staff who started since April 2015. All

members of staff received a DBS check prior to commencing in post. There are Level 3 safeguarding certificates in the safeguarding file for the Headteacher and Deputy Headteacher. There is also an attendance list of the staff who attended the last whole school training in June 2015, however not all staff were in attendance. Educational visits are appropriately recorded and approved on Evolve.

The School Private Fund is well administered. The School Clerk undertakes the duties of the Treasurer, but is not occupying the role of the Treasurer on the Management Committee. All income examined during the sample period was reconciled. Currently, the School Private Fund bank statements are received quarterly from the bank; the School has been in contact with the bank to request monthly statements but have experienced issues when contacting them. As a result, the Headteacher is considering changing bank accounts. There are currently only 2 cheque signatories for the School Private Fund, one of which will be on maternity leave shortly. Therefore the bank mandate needs to be amended to ensure that there are 3 signatories. If the School decide to change bank accounts, the mandate can be amended at the same time. The nature of the expenditure examined was appropriate and all supporting receipts were located; however it was noted that a personal loyalty card was used for one transaction examined.

All Purchase Card transactions examined were appropriate and supported by receipts / confirmation. There is one Purchase Card at the School, supported by an up to date transaction log. The card does not leave the premises and no cash is withdrawn.

The School meals income collected and recorded during the sample period was reconciled, and there were no delays in banking. The School Clerk notifies the Cook of the number of meals required on a daily basis and the Cook will notify the School Clerk if there are any variances. Authorisations were present for a sample of pupils in receipt of free school meals.

6 purchase orders were examined as a sample. All copy orders examined contained full details of the goods required, along with estimated costs, however 4 orders were raised after the goods were received at the School. All corresponding delivery notes and invoices examined were appropriately checked and authorised, and a SIMS cheque authorisation slip was present for each order. Examination of the bank mandate identified that one of the signatories is no longer at the school and therefore needs amending immediately.

No issues were identified in terms of receiving, recording and banking income due to the School Budget Account. The budget agreed by Governors was set on SIMS and last year's under spend was verified.

The School have marked all IT equipment as property of the School with an invisible pen. The School now pay Extrascope to undertake backups of the system, which are done on a daily basis. There is an inventory of all equipment at the School; however this has not yet been fully completed.

Implementing the recommendations in the report will ensure that the current levels of control are enhanced.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Medium	Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies.....should ensure that the Headteacher and all other permanent staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that</i>	The School should develop a central training record to demonstrate the date and level of attainment alongside individual staff

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
	<p><i>are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</i></p> <p>Safeguarding training was provided to the whole school on 10th June 2015. Whilst there is an attendance list in the safeguarding file not all members of staff were present that day.</p> <p>There were certificates on file from the Level 3 training that the Headteacher and Deputy Headteacher attended on 8th June and 11th June 2015 respectively.</p>	<p>names.</p> <p>This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p>
5.1.2 Low	<p>There is a record at the school of staff DBS details; however there are 2 members of staff who started at the school in September 2015 who have not yet been included on the school's record (both received appropriate clearances prior to commencing in post).</p>	<p>It should be ensured that the school's safeguarding record is kept up to date with staff DBS details.</p>
5.2.1 Low	<p>Currently, the Deputy Headteacher is named as Treasurer of the School Private Fund and the School Clerk as Secretary. However the School Clerk undertakes the duties of the Treasurer.</p>	<p>The School Clerk should be appointed as Treasurer.</p>
5.2.2 Low	<p>Point 5.3 of the School Private Fund Regulations states: <i>'Personal loyalty cards must not be used when making purchases on behalf of the School Private Fund. Whilst not significant in terms of value, this is to protect individuals against any allegation of personal gain. Loyalty cards in the name of the school are acceptable'</i></p> <p>When examining the expenditure during the sample period of 19th April - 16th July 2015, one instance was identified where a personal loyalty card was used when purchasing items for the School Private Fund.</p>	<p>In future, personal loyalty cards should not be used when making purchases on behalf of the School Private Fund.</p>
5.2.3 Medium	<p>There are currently only 2 cheque signatories for the School Private Fund and both signatures are required to authorise a cheque.</p> <p>It must also be noted that one of the cheque signatories will shortly be on maternity leave.</p>	<p>The school should add another cheque signatory to ensure that cheques can always be authorised and issued promptly (in the absence of 'one' signatory).</p>
5.3.1	<p>4 of the 6 orders chosen as a sample were raised after the goods were received, even though a prior</p>	<p>Official orders should be raised on</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
Low	request would have been made. Order numbers: <ul style="list-style-type: none"> • 4114150000 • 4114150002 • 4114150012 • 4114150026 	SIMS in all cases where a commitment to expenditure is known in advance.
5.3.2 Medium	One of the signatories for the School Budget Account is no longer at the School.	The bank mandate should be updated as soon as possible to reflect this change and a new signatory appointed.

AUDIT NAME: MAES Y BRYN PRIMARY SCHOOL

DATE FINAL REPORT WAS ISSUED: 08/10/2015

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and their support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Maes-y-Bryn Primary School was last subject to an Internal Audit Review in July 2011 and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for chequebook primaries comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2014/15 and 2015/16.

The objectives of the review were;

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the Fund is appropriately administered and this complies with the School Private Fund Regulations laid down by the Authority and other legislation.
- To ensure the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all income due to the Council is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the school are appropriate to and reflected in the budget, correctly authorised and comply with Financial Regulations.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To ensure that the school's budget has been approved by the Governing Body, and to ensure that the budget set by the school complies with the 'Fair Funding : Scheme for Financing Schools, is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the school's computers are restricted, that computer hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.

AUDIT OPINION

Overall, the control environment at the School is considered to be effective with opportunity for improvement.

The School has a Child Protection policy in place and this was re-presented to the Governing Body in the summer term. Training delivered in respect of

Safeguarding was evident, with certificates present, a record of training and when undertaken maintained. A record of DBS checks was in place, but on comparison to the list from Vision it was identified that there were a number of staff who are on Vision but not on the school's list. Therefore, the school need to review the list and update it. The School use the Evolve system to document and authorise all planned trips.

In respect of the School Private Fund, the Treasurer maintains detailed records, but the fund ledger lacked detail of what categories income related to and the ledger was not up to date with approximately £4,100 of income recently received. All income and expenditure transactions had an adequate audit trail. Evidence of a detailed reconciliation was present on the bank statements and the Headteacher had signed and dated all bank statements. All expenditure incurred is solely for the benefit of the pupils. The school should consider adding another cheque signatory to the account as this will negate the need for pre-signed cheques two of which were identified during the review.

Dinner money is updated to SIMS daily and subsequently banked promptly; however an issue was identified where income had not been recorded on both the manual registers and SIMS system resulting in inaccurate pupil balances on occasions. The school has pupils with arrears balances which have been individually referred to Education Finance for recovery action. However, the school have not consistently submitted their arrears returns to Education Finance as required, with no returns submitted for the last two terms.

There was a sufficient audit trail in respect of Purchase Card transactions with a transaction log maintained and kept up to date and supporting documentation present for transactions.

The school use SIMS to raise official orders, but from a sample of purchase orders it was noted that they were all raised after the receipt of goods or invoices.

Implementing the recommendations contained in the report will enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
<p>5.1.1 Medium</p>	<p>Review of the private fund ledger revealed that whilst there is a description of what all expenditure relates to, income is not categorised as trips, book club etc. It was identified that the Daily Record of Income sheets had not been updated to reflect £4,100 of income.</p>	<p>When income is updated to the ledger a brief description of what it relates to such as school trips, book club etc. should be recorded. The Private Fund Ledger should be updated on a regular basis so that the ledger is an accurate record of all income received and expenditure incurred.</p>
<p>5.1.2</p>	<p>Discussions at the School identified that there are currently only two cheque signatories for the Private</p>	<p>The School should add a third</p>

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
High	Fund. Having only two has resulted in delays in getting cheques signed as required. Problems encountered by staff as a result of the signing arrangements were evident in the form of two pre-signed cheques that were retained in the fund cheque book for future use.	cheque signatory to the Private Fund account. Once the panel of signatories has been updated as required, a copy of the bank mandate should be retained at the school for reference purposes. The practice of pre-signing cheques should cease with immediate effect.
5.1.3 Low	Review of the expenditure incurred through the private fund revealed two instances where no receipt was present (with values of £231.00 and £230.00). The Treasurer stated that on occasions where no receipt is received/obtained she has devised a slip on which details of the transaction are recorded and signed by two members of staff. These slips were present for these two transactions.	In order to comply fully with the School Private Fund Regulations, a Record of Expenditure Without a Receipt proforma should be completed.
5.2.1 Low	Whilst the school have a record of staff that includes details of DBS checks it was noted that there are 8 members of staff on the Vision system that are not on the schools list.	The School needs to review their record of staff and ensure that they keep their list of all staff up to date.
5.3.1 Low	Discussions with the school clerks revealed that they regularly refer families with significant dinner money arrears to Catering Finance for further recovery action as per the recovery protocols. However, it was reported by Catering Finance that the school have failed to submit ½ termly arrears returns for the last two terms.	The School must ensure that they submit their ½ termly arrears returns as required in addition to the individual referrals.
5.4.1 Low	From review of a sample of purchase orders it was identified that all were raised after the receipt of goods/invoice.	An official order should be raised on SIMS for all committed expenditure. This should be done as soon as the commitment to expenditure is known. This will ensure that the budgetary

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
		information on SIMS is as accurate as possible, has been authorised in the correct manner and that there is a hard copy of the items ordered at the school which can be used to check the subsequent delivery of goods and relevant invoice.

AUDIT NAME: PONTYCLUN PRIMARY SCHOOL

DATE FINAL REPORT WAS ISSUED: 30/10/2015

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and their support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Pontyclun Primary School was last subject to an Internal Audit Review in March 2012. This is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for chequebook primaries comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2014/15 and 2015/16.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the Fund is appropriately administered and this complies with the School Private Fund Regulations laid down by the Authority and other legislation.
- To ensure the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all income due to the Council is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that the school's budget has been approved by the Governing Body, and to ensure that the budget set by the school complies with the 'Fair Funding : Scheme for Financing Schools, is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the school's computers are restricted, that computer hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.

AUDIT OPINION

Overall, the control environment at the school is considered to be effective with opportunity for improvement.

The school has Child Protection and Safeguarding Policies that are reviewed on an annual basis. All staff at the school had appropriate DBS checks and

there is an up to date record of DBS details at the school. Staff have also completed a proforma to demonstrate that they were given safeguarding training (Level 1) from the Headteacher / Deputy Headteacher who are trained to a Level 3.

Evolve is not being used to record all educational visits and currently the Headteacher (who is the school's Educational Visits Coordinator) is creating and approving visits on Evolve. It was also identified that the one visit entered on Evolve for the academic year (2014/15) was an 'adventurous' activity, but was not entered and approved on the system within the required timescale i.e. 28 days prior to the visit.

There were no delays in banking income received during the sample period. The nature of the expenditure from the School Private Fund was appropriate, and receipts were located for the expenditure examined as a sample.

Whilst dinner money is banked on a weekly basis, for the sample period examined, it was identified that the majority of the money is received on a Monday, but not banked until a few days later. It was noted that the values were between £516 and £926, therefore a recommendation has been made to bank immediately where possible.

There are adequate processes in place for notifying the cook of the number of school meals required on a daily basis and checks to ensure that the number of meals ordered and served correspond. However the school currently has a large number of school meals arrears (18 pupils in arrears over 10 meals, i.e. £24 with a total value of £833.93). Catering Finance confirmed that not all school meals arrears returns have been returned to them as requested this academic year.

All of the purchase card transactions examined as a sample were appropriate in nature and were accompanied by a receipt / order confirmation. A transaction log is being maintained and cashbook journals were undertaken in a timely manner for each transaction. However there is no signing out / in sheet at the school to record details of when the purchase card is used by staff other than the cardholder.

6 purchase orders were examined as a sample, one of which was raised after the goods were received. 3 orders had not been signed by the Headteacher, and there was no evidence on 1 delivery note to demonstrate that it had been checked to the corresponding order. In addition, the school does not have a copy of the bank mandate, and one non-order should have been raised as a purchase order, as a prior request was made.

The budget on SIMS for this financial year exceeded the school's total formula funding allocation (including last year's under spend) by £6,851.20. Discussions with Education Finance identified that this is due to the estimated under spend being input on SIMS, and not the actual. No issues were identified in terms of receiving, recording and banking income for the school budget.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.1.1 Medium	Currently, only the Headteacher uses Evolve, therefore the Headteacher creates each visit and approves them. The Headteacher stated at the time of the review that it is his intention to have another member of staff trained on Evolve, to enable that member of staff to create visits, then the Headteacher will only approve them, however this is yet to be done.	As the Headteacher is the School's EVC, the visits should be entered onto Evolve by another member of staff, e.g. the member of staff planning the visit, and then

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
		approved by the Headteacher (i.e. EVC). It is recommended that Central South Consortium's Outdoor Education Advisor be contacted to provide training to staff at the school on using Evolve.
5.1.2 Medium	Examination of Evolve identified that not all visits are recorded, i.e. Since September 2014, only 1 visit has been recorded on Evolve: skiing trip. However, from examining the School Private Fund account, there have been several more educational visits during this academic year. Examples include Noah's Ark Zoo, National Waterfront Museum, Oakwood, and Caerphilly Castle.	All visits should be recorded and approved on Evolve prior to the date of the visit. Each visit should be appropriately risk assessed, with the required risk assessments attached to the visit on Evolve. The Central South Consortium's Outdoor Education Advisor should be contacted to provide training if required.
5.1.3 Medium	The 'Planning and Approval Procedures for Educational Visits 2013-14' states that residential visits / adventurous activities must be 'planned and approved using the Evolve system at least 28 days before visit'. The 1 visit recorded on Evolve for this academic year was an overseas, residential and adventurous activity. The start date of the visit was 22 nd March 2015, however the visit was not created on Evolve until 16 th March 2015 (6 days prior), and was therefore not approved until 17 th March 2015 (5 days prior).	All overseas, residential and adventurous activities should be planned and approved on Evolve in line with the 'Planning and Approval Procedures for Educational Visits 2013-14', i.e. at least 28 days prior to the date of the visit.
5.2.1	Point 2.3 of the School Private Fund Regulations states:	The annual certificate and audited

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
Low	<p><i>'The Headteacher must ensure that the Annual Certificate and Summary of Accounts is presented to the Governing Body as soon as possible after the end of the school year...The Annual Certificate and the Summary of Accounts must be submitted to the Education Finance Team in Bronwydd House by the 31st December'.</i></p> <p>The annual certificate and audited accounts for academic year 2013/14 were not submitted to Education Finance until 5th January 2015.</p>	accounts relating to 2014/15 should be completed and submitted to Education Finance by the 31st December 2015.
5.2.2 Low	<p>The Treasurer is currently maintaining an electronic ledger alongside 2 manual records that also work as ledgers.</p> <p>The Treasurer intends on only maintaining the electronic ledger going forward. However it was identified that the Treasurer was not aware of the requirement to print the ledger on a monthly basis to reconcile to the bank statement.</p>	The Treasurer should familiarise herself with Appendix 2, point 1.2 of the School Private Fund Regulations where there are notes of guidance on maintaining an electronic ledger, and ensure that these are complied with.
5.2.3 Low	There are currently only 2 cheque signatories for the School Private Fund account. (Both signatures are required to authorise a cheque).	The school should add a third cheque signatory, to ensure that cheques can always be authorised and issued promptly (in the absence of 'one' signatory).
5.2.4 Low	<p>Examination of the expenditure incurred between March - May 2015 identified 2 instances where the expenditure was not recorded on the electronic ledger:</p> <p>Cheque number 22116 £60.00</p> <p>Cheque number 22117 £85.00</p>	All income and expenditure should be recorded on the ledger in a timely manner.
5.3.1 Medium	<p>Point 3.1 of the Purchase Card - Cardholder Manual states:</p> <p><i>'The card can be used by other authorised staff but they must sign the Signing Out/In sheet provided to record such use'.</i></p> <p>The purchase card is shared amongst staff at the school; however there is no signing out / in sheet to document this.</p>	It should be ensured that the Signing Out/In sheet is always completed when the purchase card is used by any other member of staff other than the cardholder.

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.4.1 Low	Of the 6 orders chosen as a sample, 1 order was raised after the goods were received (order number 4641140029), and 3 had not been signed by the Headteacher (order numbers 4641140034, 4641140025 and 4641140023).	Official orders should be raised in all cases where a commitment to expenditure is known in advance. Official orders should be completed in full with specific descriptions of the goods / services required and the anticipated costs, and authorised by the Headteacher.
5.4.2 Low	There was no evidence on 1 of the 6 delivery notes examined to demonstrate that it was checked to the copy order (order number 4641140033).	Upon delivery, goods received should be checked to the delivery note and copy order to confirm that items listed thereon have actually been received and that they are in a satisfactory condition.
5.4.3 Low	An official purchase order should have been raised for 1 of the 4 non-orders examined as a sample, as a prior request for the goods was made: Dotdismus.com. Invoice number 75998. Cheque number 103741.	An order (confirmation if made by telephone) should be raised on SIMS as soon as a commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and that there is a hard copy of the items ordered at the school which can be used to check the subsequent delivery of goods and relevant invoice.

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
5.4.4 Low	Whilst there were cheque authorisation slips present for each order examined, 1 had not been signed by the Headteacher (order number 4641140034).	Cheque signatories should examine the supporting documentation before signing the cheques and endorse the cheque authorisation slips to confirm the actual details on the cheques are correct.
5.4.5 Low	The school does not have a copy of the bank mandate.	A list of staff authorised to sign cheques and the specimen signatures (i.e. bank mandate) should be retained at the school and a copy forwarded to the LEA.
5.5.1 Low	During the sample period of 13th April - 5th May 2015, the following delays in banking dinner money were identified: £1123.53 received on 13th April, banked on 17th April. £690.80 received on 27th April, banked on 1st May. £926.70 received on 5th May, banked on 7th May.	It is acknowledged that dinner money is banked on a weekly basis, however due to the large sums involved; the school should consider banking immediately, i.e. the day that the majority of dinner money is received.
5.5.2 Medium	There are currently 18 pupils with arrears in excess of 10 meals (i.e. £24), with a total value of £833.93. Discussions with Catering Finance identified that the school have not submitted all school meals arrears returns as requested this academic year.	The school should ensure that there is a system in place in order to chase school meal arrears. It should also be ensured that the school meal arrears information is submitted to Catering Finance as requested per half term.
5.6.1	A variance was identified on SIMS between the formula funding allocated to the school for 2015/16 and the budget recorded on SIMS:	SIMS should be amended immediately to reflect the correct total formula funding allocated to

SUMMARY OF RECOMMENDATIONS:		
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
Medium	<ul style="list-style-type: none"> • Formula funding allocated for 2015/16 (including previous year's under spend) - £1,429,034.80. • Budget input on SIMS for 2015/16 - £1,435,886.00. • Total variance £6,851.20. <p>Discussions with Education Finance identified that this is due to the previous year's estimated under spend being used, not the actual.</p>	the school for this current financial year.
5.6.2 Medium	Virements are not formally documented and approved; instead they are undertaken following a verbal request from the Headteacher.	A record should be retained at the school of any budget amendments using a virement form. A proforma was provided to the School Clerk at the time of the review.

WHOLE AUTHORITY ARRANGEMENTS

AUDIT NAME: PERFORMANCE INDICATORS

DATE FINAL REPORT WAS ISSUED: 15/10/2015

INTRODUCTION

The Council regularly measures the performance of its service delivery across all its service areas, using a combination of nationally / locally defined Performance Indicators (PIs). Performance Indicators are measured against agreed targets and the results are placed in the public domain.

This framework of performance information provides the primary intelligence to enable the Council to manage performance against key strategic priorities, service / policy objectives and also local priorities specific to the needs of Rhondda Cynon Taf. Key indicators are also used for comparison purposes with other Councils.

Each PI has been assigned a PI owner who is responsible for declaring the methodology and accuracy of the calculation via a pro-forma Self Assessment Form. The in-year production and review of this performance information is the key tool that enables service managers to manage their service. PI owners are supported by the Performance Team based in the Finance Division, within the Corporate and Frontline Services Group.

SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2015/16, agreed by Audit Committee, a review of a selection of Performance Indicators was undertaken.

The primary purpose of the review was to independently assess the sampled Performance Indicators and provide an opinion on the accuracy of the reported data.

To achieve this, the following key objectives were identified.

- That the methodology used to collect the statistical data is consistent with the agreed definition of each Performance Indicator;
- That the data used to calculate each PI has been correctly captured from prime documents / primary sources;
- That the calculation was arithmetically accurate.

AUDIT OPINION

Overall, the control environment is considered to be effective with opportunity for improvement.

The introduction of a quality assurance process during 2014/15 by the Performance Team improved the processes for monitoring and reporting Performance Indicators, along with ensuring that the data reported is accurate and substantiated with adequate supporting information. The Performance Team should continue to roll out these quality assurance processes for all other Performance Indicators, taking a risk based approach once again, during 2015/16.

Where action points are provided to the owners of each Performance Indicator, following the Performance Team's data review, the Performance Team should ensure that these action points have been implemented.

Assurance can be provided that 15 out of the 19 Performance Indicators reviewed have appropriate Definitions, Methodologies and full supporting documentation. For the remaining 4 Performance Indicators, as no actual data had been reported, no assurance can be provided (they were all reported as 'N/A').

Implementing the recommendations within this report will enhance monitoring arrangements and the integrity of reported data will be increased further.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION
<p>5.1.1</p> <p>High</p>	<p>Each service area is responsible for the collection, monitoring and reporting of performance indicators, although guidance and help is available from the Performance Team.</p> <p>Since the last audit review, the Performance Team implemented a risk based process of review, monitoring and challenge of a sample of Performance Indicators.</p> <p>11 of the 19 Performance Indicators selected for testing as part of this audit had been reviewed by the Performance Team. The reviews undertaken by the Performance Team have clearly resulted in the improved quality of reported data and the rolling programme of inspection' must be continued in 2015/16. Further improvements can be made in ensuring agreed action points, following the Performance Team's data review, are actually implemented, as during the audit there were occasions whereby Officers had stated they had implemented action points, but it was found they had not.</p>	<p>The Performance Team should continue to roll out their programme of sample checking Performance Indicators throughout the Council for 2015/16 Indicators.</p> <p>This should help to ensure that reliance can be placed on the Performance Indicators on an ongoing basis throughout the year and not just when internally and externally audited.</p> <p>Furthermore, the Performance Team should look to ensure that agreed action points have actually been implemented.</p>
<p>5.1.2</p> <p>High</p>	<p>From a sample of 19 Performance Indicators examined, it was found that 15 had been accurately reported.</p> <p>The 4 that had not are : -</p> <p><u>Domestic Abuse</u></p> <ul style="list-style-type: none"> • LPHP002a - No. of perpetrators of domestic violence who commence the voluntary perpetrator programme (New) (Local) • LPHP002 - % of perpetrators of domestic violence who complete the voluntary perpetrator programme (New) (Local) 	<p>Management must ensure that the figure reported for each performance indicator is supported by the source data.</p> <p>Management should also ensure any data that is not received is chased up and obtained for reporting.</p>

	<p>It was found that these 2 PIs had not been reported with actual results for 2014/15 although they formed part of a WPI Action Plan. They were reported as 'N/A'. The reasoning given was that at the time of audit nobody had completed the programme.</p> <p><u>Offender Management</u></p> <ul style="list-style-type: none"> • LPPN128a - Number of individual offenders that have ceased/reduced offending behaviour whilst participating in the scheme for ai) Prolific & Priority Offenders (PPO) (Local) • LPPN128b - Number of individual offenders that have ceased/reduced offending behaviour whilst participating in the scheme for bi) Integrated Offender Management (IOM) (Local) <p>It was found that these 2 PIs had not been reported with actual results for 2014/15 although they formed part of a WPI Action Plan. They were reported as 'N/A'. The reasoning given was that at the time of audit, the data had not been received from the third party who provides it, even though they had provided data for Quarter 1 in 2015/16 but not for 2014/15.</p>	<p>The source data must be challenged and reviewed prior to figures being reported publically.</p>
<p>5.1.3 Medium</p>	<p>The Performance Team has introduced a comprehensive Definition and Methodology document which is to be completed for each Performance Indicator.</p> <p>For all 19 sampled Performance Indicators it was found that each had a Definition and Methodology in place. However not all were documented within the new format introduced by the Performance Team, and for those that were, several had not been updated since their review by the Performance Team and resubmitted.</p> <p>Additionally, each Performance Indicator should have a Target set, or where a Target is not set, a documented rationale provided.</p> <p>It was found that 7 of the 19 PIs did not have a Target set, with no rationale provided as to why there was not a Target.</p>	<p>The Performance Team should ensure that a Definition and Methodology for each Performance Indicator in the new format introduced is fully completed, agreed and retained.</p> <p>Performance Indicator Owners should be reminded that they must set Targets for each of their Performance Indicators, or provide a documented rationale why they are not. This rationale should be included with the Definition and Methodology.</p>