



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2018/19**

<p><b>AUDIT COMMITTEE</b></p> <p><b>25<sup>th</sup> March 2019</b></p>	<p><b>AGENDA ITEM NO. 5</b></p>
<p><b>REPORT OF THE REPORT OF THE DIRECTOR OF FINANCE &amp; DIGITAL SERVICES</b></p>	<p><b>FINALISED AUDIT ASSIGNMENTS</b></p>

Author: Marc Crumby (Head of Internal Audit & Procurement Development Programmes)

**1. PURPOSE OF THE REPORT**

- 1.1 This report provides Members with a summary of audit assignments completed between 25<sup>th</sup> January 2019 and 12<sup>th</sup> March 2019.

**2. RECOMMENDATIONS**

It is recommended that Members:

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

**3. REASON FOR RECOMMENDATION**

- 3.1 To help ensure that Audit Committee discharges its responsibilities in respect of reviewing and forming an opinion on the overall control environment in place across the Council.

**4. BACKGROUND**

- 4.1 The Audit Committee Terms of Reference (Point D) requires it to '*Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs, and providing the opportunity for direct discussion with the auditor(s) on these*'.

- 4.2 In line with this requirement **Appendix 1** provides a summary of the audit assignments completed between 25<sup>th</sup> January 2019 and 12<sup>th</sup> March 2019. Members will note that the summary provides for each assignment: the Introduction, Scope & Objectives, Auditor's stated opinion and a summary of all recommendations made for each audit review completed to final report stage within the stated period.
- 4.3 To help ensure Audit Committee effectively discharges the responsibility as set out in its Terms of Reference (and replicated at point 4.1 above), Members may wish to consider the principles noted below in addition to their own lines of enquiry:
- Are the conclusions made by Internal Audit reasonable / backed up by the findings reported?
  - Are the recommendations made by Internal Audit likely to support the necessary improvement in internal control?
- 4.4 Members will note that 12 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

**EDUCATION & INCLUSION SERVICES**

- HAWTHORN HIGH SCHOOL - FOLLOW UP
- ABERDARE COMMUNITY SCHOOL
- CAPCOCH PRIMARY SCHOOL
- CWMLAI PRIMARY SCHOOL
- LLWYNCRWN PRIMARY SCHOOL
- YGG LLWYNCELYN

**WHOLE AUTHORITY ARRANGEMENTS**

- ANTI-FRAUD, BRIBERY & CORRUPTION
- PERFORMANCE INDICATORS

**COMMUNITY & CHILDREN'S SERVICES**

- REGISTRATION SERVICES
- THE PANEL PROCESS
- ADOPTION SUPPORT PAYMENTS

**CORPORATE & FRONTLINE SERVICES**

- LEGIONELLA MANAGEMENT

**5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 There are no equality and diversity implications as a result of the recommendations set out in the report.

## **6. CONSULTATION**

- 6.1 There are no consultation implications as a result of the recommendations set out in the report.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 There are no financial implications as a result of the recommendations set out in the report.

## **8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The provision of regular information in respect of the Council's Internal Audit Service supports the Council in demonstrating compliance with the Accounts and Audit (Wales) (Amendment) Regulations 2018.
- 8.2 Regulation 7 (Internal Audit) of Part 3 of the 2018 Regulations directs that: "*A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.*"

## **9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

### **THE COUNCIL'S CORPORATE PLAN PRIORITIES**

- 9.1 The work of Internal Audit aims to support the delivery of the priorities contained within the Council's Corporate Plan – *The Way Ahead*, in particular 'Living Within Our Means' through ensuring that appropriate internal controls are in place to effectively manage resources.

### **WELL-BEING OF FUTURE GENERATIONS ACT**

- 9.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

## **10. CONCLUSION**

- 10.1 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.



10.2 In doing so, it enables Members to form an opinion on the overall control environment of the Council at the end of the financial year.

**Other Information:-**

***Relevant Scrutiny Committee***

**Not applicable.**

***Contact Officer*** – Marc Crumbie



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**25<sup>th</sup> March 2019**

**FINALISED AUDIT ASSIGNMENTS**

**REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES**

Author: Marc Crumbie (Head of Internal Audit & Procurement Development Programmes)

**Item: 5**

**Background Papers**

None.

Officer to contact: Marc Crumbie

## Appendix 1 - Summary of audit assignments completed between 25<sup>th</sup> January 2019 and 12<sup>th</sup> March 2019

### EDUCATION & INCLUSION SERVICES

**AUDIT NAME: HAWTHORN HIGH SCHOOL FOLLOW UP**

**DATE FINAL REPORT WAS ISSUED: 11/03/2019**

#### INTRODUCTION

Hawthorn High School was subject to a routine Internal Audit Visit in May 2017. A follow up review was undertaken in February 2018, at the request of Audit Committee. Both the original audit review and the follow up visit concluded that the overall control environment in relation to the School's financial and governance arrangements was 'insufficient and requires improvement'.

Following the presentation of the follow up final report to Audit Committee on 17<sup>th</sup> December 2018, a further review was requested by the Director of Education & Inclusion Services and Audit Committee, to ascertain whether recommendations made at the time have been successfully implemented.

This audit report provides the outcome of the follow up review that has now been completed.

#### SCOPE & OBJECTIVES

The objective of this review was to:

- Establish the status of the recommendations raised within the previous final report (issued November 2018)

#### AUDIT OPINION

This follow up review can confirm that all recommendations made have either been fully implemented or are ongoing in their implementation. There has been a clear commitment by the School to addressing the recommendations previously made, as follows:

##### **Governance**

The Committee Structure, Composition and Terms of Reference for 2018/19 was presented to the Governing Body on 10<sup>th</sup> October 2018 and subsequently agreed and minuted.

In accordance with statutory requirements, all original signed documents and minutes are now retained at the School in a central file with each loose leaf sheet consecutively numbered and signed by the Chair of Governors. All Full Governing Body and sub-committee minutes for the period October 2018 to date were examined, and this procedure was routinely evidenced.

On the 14<sup>th</sup> February 2019 the Full Governing Body agreed the format for future reporting insofar that all minutes will be completed to indicate RESOLVED/AGREED for each item discussed. This will ensure both clarity and good practice, and the School should ensure that this is now implemented for all future meetings held and minutes completed.

Attendance sheets were in place for all Governing Body and sub-committee meetings recently held, and these were appropriately signed and held on file.

The Community Governor vacancy has now been filled and the Governing Body are operating at full capacity. A Register of Business Interests is in place and all declarations were present at the time of the audit, including the most recently appointed Community Governor.

A Policy and Document Schedule has now been introduced at the School. For all Policies listed on the Schedule, a copy is held on a central file, in a consistent manner with details of the review dates, Chair of Governor's signature and Governing Body endorsement. The School now has arrangements in place in respect of a rolling programme for presenting Policies for ratification to the Governing Body.

*There are no findings contained within this report in respect of Governance.*

### **Safeguarding**

It was established that Level 1 Safeguarding Training was provided to the whole School on 3<sup>rd</sup> September 2018, with a central record maintained confirming the names of all staff in attendance. This was confirmed to VISION and this report confirms that, with the exception of 2 long term absences, training has now been provided to all School staff with documentary evidence available. All staff members have signed to confirm that they have received, read and understood the School's Safeguarding Policy, and a signed copy of this Policy is held at the School.

All tutors previously identified have been subject to an IR35 employment check, and the employment status of all individuals is now routinely checked using the HMRC online tool when a tutor is engaged, with evidence of this check retained at the School.

*There are no findings contained within this report in respect of Safeguarding.*

### **Purchase Card**

A review of the Purchase Card Transaction Log and supporting receipts for the period September 2018 to date revealed that all expenditure was of an appropriate nature. A 'Headteacher's Fund Donations' sub account still remains within the School Private Fund with a current balance of £158.83. There has been no further expenditure from this sub account during the current academic year, and the School has confirmed that the nature of any future expenditure will be in accordance with the School Private Fund Regulations.

*There are no findings contained within this report in respect of Purchase Card.*

### **School Income**

The School's Finance Policy has been updated to reflect the roles and responsibilities of staff with financial responsibility, and this was presented to the Governing Body on 14<sup>th</sup> February 2019.

The terms and conditions of hire have been amended to reflect the payment terms and arrears procedures, and these will become operational from 1<sup>st</sup> April 2019. The School should ensure that all future hirers are invoiced in accordance with the terms and conditions, with booking forms completed in advance of the booking. Where due to the nature of the booking there are exceptions to the terms of conditions, e.g. the invoice is raised termly in arrears, the terms and conditions should reflect this exception, following appropriate Governing Body endorsement of the waiver condition. All hire forms are now formally approved by the Estates Manager who has been delegated this authority by the Headteacher.

*There are no findings contained within this report in respect of School Income.*

### **Banking**

Responsibility for the bank reconciliation process has been given to one member of staff (Estates Manager) to ensure consistency. This person is also independent to the process of receiving and recording income, and raising invoices on SIMS allowing for an adequate division of duties. Examination of the bank statements received from September 2018 to date revealed that all had been reconciled promptly upon receipt, and were signed and dated as evidence of this process.

*There are no findings contained within this report in respect of Banking.*

### **Budget**

A schedule is now in place for the issue of regular budgetary information from SIMS, to individual budget holders. This schedule has been incorporated into the School's Finance Policy and testing confirmed that regular budgetary updates have been provided to budget holders in accordance with the schedule since this system was introduced in September 2018.

*There are no findings contained within this report in respect of Budget.*

### **Assets**

The School Development Plan covers the period 2018 – 2021. There are 12 priorities specified, of which 5 have been identified as the responsibility of the LEA. For the remaining 7 which are the responsibility of the School, estimated costs have been included for budgetary purposes.

A full Inventory review has now been completed with the details maintained on a room by room basis, in an Excel spreadsheet format. The Estates Manager is in the process of updating this information to SIMS.

*There are no findings contained within this report in respect of Assets.*

### **New Findings**

A signed copy of the Cleaning Contract is available at the School, detailing the signatures of both the Headteacher and Chair of Governors on 14<sup>th</sup> June 2017. Discussion at the School revealed that this contract has previously been presented to Governing Body however for completeness, this will be included as an agenda item on 25<sup>th</sup> March 2019, to allow for this to be formally minuted. Furthermore, all members of the Governing Body have signed a declaration to confirm that due process was followed in awarding the contract, and that they were provided with detailed cost implications when making their decision.

A review of the School Private Fund and Budget Account revealed that there is no mixing and matching of income and expenditure transactions. While the School production did not take place in 2018, the School has confirmed that all future income and expenditure in respect of the production will be processed via the budget account, with VAT identified on both income and expenditure where necessary.

*There are no findings contained within this report in respect of New Findings.*



The Headteacher and Chair of Governors have requested that a follow up audit is carried out in 12 months to review the control environment surrounding the School's financial and governance arrangements.

**AUDIT NAME: ABERDARE COMMUNITY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 21/02/2019**

### **INTRODUCTION**

Aberdare Community School is a large 11-18 English Medium School which opened in September 2014, following the merger of Aberdare Girls, Aberdare High and Blaengwawr Comprehensive Schools. There are 1,279 pupils on roll, of which 137 are in the sixth form. The proportion of pupils entitled to free school meals currently stands at 27%.

The total budget for the School for 2018/19 is £6.0m. The previous Headteacher left the School in Summer 2018 at which point an Acting Headteacher was appointed for the Autumn Term 2018, during which time the audit was undertaken. A new Headteacher is now in post with effect from January 2019.

Aberdare Community School was last subject to a routine audit visit in October 2016.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at their April 2019 meeting.

### **SCOPE & OBJECTIVES**

All financial systems in operation at the school were considered and an assessment carried out in consultation with the Acting Headteacher and Chair of Governors to identify those areas representing the highest risk to the school, and therefore necessitating review.

On the basis of this assessment, audit work was carried out on the following areas of administration: -

- Governance
- Safeguarding
- School Private Fund
- Purchase Card
- Petty Cash
- School Income

### **AUDIT OPINION**

#### **Safeguarding & Educational Visits**

The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.

Testing identified that all Staff received the appropriate clearances before commencing duties in their posts.

The School has a Safeguarding and Child Protection Policy in place. Whilst this was reviewed and presented to the Governing Body in November 2018, there was no documentary evidence at the School to confirm that all members of staff have received a copy of the Policy, and have read and understood it.

Level 1 safeguarding training has been provided to School staff in various 'refresher' sessions throughout the year. Additionally, a number of staff at the School have undertaken Level 3 training, however, not all Certificates were available at the School.

The School makes use of the EVOLVE system to record details of all off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'. All trips examined had been entered onto EVOLVE and authorised in

accordance with the designated timescales.

### **Governance**

The control environment in respect of Governance is considered to be effective with opportunity for improvement.

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and all Sub-Committees have the requisite number of members.

It was identified that all Statutory Policies are in place at the School. It was established that a number of Policies had not been signed by the Headteacher/Chair of Governors. Additionally, it was established that some Policies had not been reviewed for a number of years, whilst it was also noted that the School has not adopted the latest Staff Disciplinary Policy, and are still working to a previous version.

### **School Income**

The control environment in respect of School Income is considered to be effective with opportunity for improvement.

The School have developed a detailed Financial Procedures document that contains details of how each area of administration should be managed and details of the roles/responsibilities of the individuals presently involved.

While there is an adequate trail of income received and banked, income processes currently do not allow for an appropriate segregation of duties, with the Finance Director being responsible for collecting and recording some elements of School income, but also responsible for the bank reconciliation process. This report recommends that the bank reconciliation process be undertaken by a person who is independent of the process to demonstrate transparency.

### **School Private Fund**

The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.

The administration of the School Private Fund provides an adequate audit trail for all income and expenditure transactions and a running account balance maintained. The account is subject to regular reconciliation; however this is performed by the Fund Treasurer who also undertakes the day-to-day administration of the Fund and is not sufficiently independent to the process.

It was also identified that whilst the electronic trip records maintained by teaching staff clearly detail the receipt of income from pupils, a summary of the daily total amounts received/passed to the Treasurer for banking is not maintained. As a consequence, it is not possible to verify the daily amounts passed to the Treasurer in respect of the individual pupils. This report recommends that this is facilitated either by an electronic summary within the spreadsheet or the introduction of a Record of Daily Income form.

It was also identified that Statements of Account are not always fully completed with full details of income/expenditure.

### **Petty Cash**

The control environment in respect of Petty Cash is considered to be effective with opportunity for improvement.

A formal Petty Cash limit for items of expenditure has been set and is being adhered to. At the time of the audit visit, testing identified that the petty cash account is being administered on a day to day basis by the Finance Director, who also undertakes the reconciliation prior to reimbursement. This report

recommends that the Petty Cash account be subject to a regular, independent reconciliation. Consideration also needs to be given to reviewing the current practices in place and increasing the use of the Purchase Cards to pay for goods/services required. This would reduce the amount of administration required in making purchases via SIMS and also operating a petty cash account, allowing more opportunity for staff to undertake other duties.

### Purchase Card

The control environment in respect of Purchase Card is considered to be effective with opportunity for improvement. There are two Purchase Cards in operation at the school with separate Transaction Logs maintained to record all expenditure. Whilst reconciliations were undertaken, this is done by the Finance Director who is responsible for the day-to-day purchases made on one of the cards, hence there is no independent check of the purchases made. Implementing the recommendations contained in the report will enhance the current levels of control at the School.

### SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Medium	<p>The School's Safeguarding Policy was last reviewed by the Governing Body on the 29th November 2018, having adopted the latest Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy.</p> <p>Point 3.1 of the Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy states: <i>'The Designated Senior Person (DSP) for Child Protection will...Ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy'</i></p> <p>No evidence could be located at the School during the audit visit to demonstrate that the staff have received, read and understood the latest Child Protection Policy.</p>	<p>Each member of staff should sign to demonstrate that they have received, read and understood the Child Safeguarding Policy.</p> <p>(Note: This is in addition to the designated staff and Governors with Child Protection responsibility.)</p>	30 April 2019
5.1.2 Medium	<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:</p>	<p>The School should ensure that Certificates are retained at the School for all staff who have undertaken training to demonstrate the</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>'Governing Bodies should ensure that all 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>Discussion with the School's nominated Child Protection Officer identified that he and 15 other members of staff have received level 3 Child Protection training. However, certificates of attainment for 6 of the 16 staff could not be evidenced at the School.</p>	level of qualification achieved and dates attained.	
5.3.1 Medium	<p>Following the previous audit review (January 2017) the Officer Manager is now responsible for the collection of both invoiced income and school uniform shop income. All other income received is collected and recorded by the Finance Director. However the Finance Director also reconciles all income records, despite being responsible for collecting, banking and updating SIMS on a day to day basis.</p>	<p>It should be ensured that an appropriate segregation of duties is put in place to ensure that staff who undertake the collection and banking of school income are not also involved in the reconciliation process.</p> <p>The bank reconciliation process should be carried out by someone independent to the process to ensure transparency, with records certified to demonstrate that this has taken place.</p>	Implemented
5.3.2 Medium	<p>As detailed above both the Office Manager and Finance Director are responsible for collecting income at the school. The Office Manager collects invoiced income and school uniform shop income, with the Finance Director collecting and receipting all other income received.</p> <p>A separate Record of Daily Income (RODI) form is maintained by each</p>	<p>The Record of Daily Income form should be signed by two members of staff as evidence of the amount being received and passed for banking.</p> <p>Following the introduction of a division of</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	<p>member of staff. On examination of these records it was noted that the RODI completed by the Office Manager is not signed by two people as evidence of the collection/handover of income. However the RODI maintained by the Finance Director is appropriately signed by two members of staff.</p>	<p>duties/realignment of duties (as recommended in 5.3.1) it may only be necessary to use one RODI going forward.</p>	
<p>5.4.1 Medium</p>	<p>Appendix 2 point 1.2 of the School Private Fund Regulations provides guidance on how to maintain an electronic ledger.</p> <p>It was found that the reconciliation is currently undertaken by the Fund Treasurer, who is not independent of the income and expenditure transactions. It is however acknowledged that the Finance Director countersigns the Fund Treasurer's work; however no reconciliation or detailed review is undertaken.</p> <p>NOTE: Internal Audit can confirm that for the period September to December 2018 the account reconciled.</p>	<p>An independent person should undertake the reconciliation to ensure transparency in the process.</p>	<p>Implemented</p>
<p>5.4.2 Medium</p>	<p>Examination of the records held by the trip organisers for two trips (Disney 2018 and Ypres 2017) identified that records are consistent, with the amount, date and who it was received from recorded on a spreadsheet maintained by each trip organiser.</p> <p>The Fund Treasurer also maintains Record of Daily income sheets detailing the total income passed from each Trip Organiser for each trip each day.</p> <p>It was also established that whilst 'Savings Cards' are given to pupils</p>	<p>Trip Organisers should be reminded that a Record of Daily Income is to be completed as and when income is collected from pupils/parents.</p> <p>Alternatively, the spreadsheet currently maintained could be developed by the School to be used by Trip Organisers allowing for the dates and total amounts passed to the Treasurer to be easily</p>	<p>31 March 2019</p>

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	and completed when they make payments, difficulty was experienced reconciling the individual amounts received to the total amounts passed to the Treasurer for banking as a breakdown of this is not maintained by Trip Organisers.	identifiable.  When income is then passed to the Fund Treasurer, the amounts collected should be clearly totalled up on the RODI and dated to confirm when passed to the Treasurer for banking.	
5.4.3  Low	Section 9.1 of the School Private Fund Regulations states that:  'Any member of staff running a School trip is required to draw up and provide the Treasurer with a statement of account within one month of the conclusion of the trip. This must show details of all the receipts and payments relating to the trip'  Examinations of the Statement of Account for the Ypres 2017 trip identified that expenditure was recorded as a total amount and not individual transactions and amounts.	It should be ensured that Statement of Accounts are fully completed for all trips, in accordance with the School Private Fund Regulations.	31 March 2019
5.5.1  Medium	There is currently no independent, periodic reconciliation of the Petty Cash account.  The member of staff who administers the account on a day to day basis is also the member of staff currently responsible for reconciling the account.	The Petty Cash account should be subject to a regular, independent reconciliation.  Records maintained should be certified to demonstrate this has taken place.	Implemented
5.5.2  Low	Examination of expenditure for October and November 2018 showed that all items reimbursed were appropriate.	All items of expenditure should be supported by a receipt or invoice.	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	<p>However, one transaction was identified whereby no receipt/invoice was obtained, whilst the subsequent form completed by the teacher to evidence the expenditure had only one signature.</p> <p>6/11/18 - Rugby Referee - £15.00</p>	<p>In the event that a receipt cannot be obtained, a PF2 (Record of expenditure without Receipt) form should be completed and signed by two members of staff.</p>	
<p>5.6.1</p> <p>Medium</p>	<p>The School currently has 2 Purchase Cards.</p> <p>Discussions with the Finance Director established that bank statements are received on a monthly basis and are reconciled upon receipt.</p> <p>However, the person responsible for carrying out the reconciliation also administers one of the Purchase Cards. This does not allow for a sufficient independent review.</p> <p>NOTE: Internal Audit can confirm that for the period September to November 2018 the Purchase Cards reconciled.</p>	<p>The Headteacher should ensure someone independent reconciles the Purchase Card account (where the Finance Director is responsible for making purchases and completing the Transaction Log).</p>	<p>Implemented</p>
<p>5.6.2</p> <p>Medium</p>	<p>Examination of the School's statutory policies and documents established the following: -</p> <ul style="list-style-type: none"> <li>• 8 policies were not signed by the Headteacher or Chair of Governors</li> <li>• 9 policies had not been reviewed since June 2014</li> </ul> <p>Additionally, whilst the Staff Disciplinary Policy was reviewed in March 2017, this was found to be an earlier version provided to Schools in</p>	<p>It should be ensured all policies are signed by the Headteacher and Chair of Governors when endorsed by the Governing Body.</p> <p>The School should implement a policy review process to ensure policies are reviewed when required.</p>	<p>31 October 2019</p>



<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	2012, which has since been superseded by an updated version of the Policy.		

**AUDIT NAME: CAPCOCH PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 07/02/2019**

### **INTRODUCTION**

The self-evaluation process is designed to evaluate the effectiveness of a School's financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Capcoch Primary School was last subject to an Internal Audit Review in November 2014 and this is the third cyclical visit made to the School to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this Final Audit report will be presented to the Full Governing Body at the Spring Term meeting of 18<sup>th</sup> March 2019.

### **SCOPE & OBJECTIVES**

The checklist for non-chequebook primary schools comprises of 105 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 2018/19.

The objectives of the review are:

- 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 in accordance with the requirements of the 2017 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income 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 all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the School's IT equipment 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 2018.
- To review the governance arrangements in place at the School.

### **AUDIT OPINION**

**Governance**

The control environment in respect of Governance is considered to be effective with opportunity for improvement.

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and its sub committees have the requisite number of members and quorate levels for meetings are achieved. A Register of Business interests is in place at the School and is updated annually; however, audit testing identified that a declaration had not been completed in respect of 1 new Governor.

Whilst all statutory policies and documents are present, there was 1 policy that had not been presented to the Governing Body for ratification within the last 3 years and 1 document that had not been subject to an annual review.

#### **Safeguarding & Educational Visits**

The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.

Testing identified that all staff received the appropriate clearances before commencing duties in their posts and DBS reference numbers for staff are retained at the School. However, the School list also contains the DBS reference numbers for staff who no longer work at the School and this report recommends that these reference numbers be removed as soon as possible.

Although it was identified that an update on Safeguarding was provided to School staff during the year, there was one casual member of staff who had not received the update. The School have a Safeguarding and Child Protection Policy, which is reviewed annually, however, there was no documentary evidence at the School to confirm that all members of staff have received a copy of the Policy, have read and understood it.

The School make use of the EVOLVE system to record details of all off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'. There were however 3 residential trips on the system that had not been authorised in accordance with procedures.

#### **School Private Fund**

The control environment in relation to the School Private Fund is considered to be insufficient and requires improvement.

One of the named auditors for the fund is also a cheque signatory, which is in contravention of the School Private Fund Regulations.

A central Record of Daily Income form is not in use at the School with all income instead being recorded directly onto individual income sheets which are created for each activity. The dates income is received are not always recorded also and the School Private Fund Ledger was not an accurate reflection of the income and expenditure for the year as discrepancies were identified between the ledger and subsidiary documents. These would have been identified if the ledger was used as part of the Bank Reconciliation Process, which is currently not the procedure followed.

Deposits with the bank are not always being made in accordance with the School Private Fund Regulations leaving staff in a vulnerable position when transporting cash to the bank. This report recommends that the School consider using the secure collection service to alleviate this risk.

For the current academic year, all but 2 items of expenditure were solely for the benefit of the pupils / School and in accordance with the School Private Fund Regulations. All items were supported with appropriate receipts / invoices.

#### **Purchase Card**

The control environment in relation to the Purchase Card is considered to be effective with opportunity for improvement.

There is a Purchase Card at the School but it is not being administered in accordance with the guidance issued by the Procurement Service i.e. there is no Transaction Log in place, there is no Card Sharing Log in place and although all purchases reviewed were supported with documentation (receipts, invoices, and confirmation for on-line orders) appropriate VAT receipts had not always been obtained even though the VAT for these purchases had been

reclaimed.

Note: Internal Audit undertook a bank reconciliation of the Purchase card and confirmed no irregular expenditure based upon the sample.

### **Purchasing**

The control environment in relation to Purchasing is considered to be effective with opportunity for improvement.

At the time of the audit no official order book was in use at the School. Staff were instead completing order requisition forms which had been devised by the School Clerk and all supporting documentation in relation to each order was being retained in separate files. This report recommends that an official order is fully completed each time an order is placed by the School, delivery notes are checked to the copy order and the copy is appropriately endorsed with the delivery details and invoice details with all documentation relating to each order being retained together.

### **School Meals**

The control environment in relation to the School Meals system is considered to be effective with opportunity for improvement.

Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained, and the School meals income records are regularly reviewed by an independent senior member of staff.

Dinner money is updated to SIMS and banked regularly, and School dinner money arrears are being managed in line with the Catering Finance School Meal Protocol. At the time of the Audit visit, the dinner money arrears had reduced significantly from previous reported levels, with only 7 pupils with arrears in excess of the 2 week limit. However, it was reported by Catering Finance that the School has failed to submit their ½ term catering returns since Autumn Term 2017 and this report recommends that Half termly returns be completed and returned to Catering Finance in accordance with the Protocol.

### **School Budget**

The control environment in relation to the School Budget is considered to be effective and there are no findings contained within this report.

A regular review of the Budget is undertaken by the Headteacher and details of the School's budgetary position is reported to the Governing Body at every meeting.

Pupil numbers were reviewed and no discrepancies were noted.

### **Data Protection & Security**

The control environment in relation to Data Protection & Security is considered to be effective and there are no findings contained within this report.

The School is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely and the School Inventory is up to date.

Implementation of the recommendations contained within this report will enhance the control environment further.

## **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1	Section 2.9 of the Scheme for Financing Schools states that:	A declaration of business interests register should be completed on an annual basis	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	<p>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</p> <p>Although a register has been established, no declaration was present for 1 new Governor.</p>	<p>which details the business interests of all Governors, the Headteacher and any other staff who may influence financial decisions at the School.</p> <p>A declaration should be completed immediately in respect of the Governor identified.</p>	
5.1.2 Medium	<p>All statutory policies and documents are in place at the School.</p> <p>However, it was not evident within the Governing Body minutes that the Freedom of Information policy had been reviewed by the Governing Body within the last 3 years and that the Assessments Arrangements document is subject to an annual review.</p>	<p>Both documents should be reviewed as soon as possible. Following review, they should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	31 March 2019
5.2.1 Medium	<p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states: <i>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</i></p> <p>There was no evidence held at the School to demonstrate that the staff had received, read and understood the latest Child Protection Policy.</p>	<p>Following each annual review, the Designated Senior Person should ensure that all members of staff sign to demonstrate that they have received, read and understood the Child Protection Policy.</p>	Implemented
5.2.2	Section 2.21 of Keeping Learners Safe: The role of local authorities,	Level 1 Safeguarding training should be	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	<p>governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies should....ensure that all 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>Audit testing identified that 1 casual member of staff had not received a Level 1 update refresher training.</p>	arranged for the 1 member of staff identified as soon as possible.	
5.2.3 Low	The School staff list detailing staff DBS reference numbers includes staff who are no longer employed at the School.	The School should ensure that where staff, permanent or casual, commence / terminate employment with the school, the school list is updated to reflect this.	Implemented
5.2.4 Medium	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits/adventure activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'.</p> <p>From a sample of trips examined, there are 3 trips whereby formal authorisation had not been obtained:</p> <ul style="list-style-type: none"> <li>• 12.03.18 - Manor Adventure</li> <li>• 07.12.17 - St Elvan's Church</li> <li>• 09.03.16 - Manor Adventure</li> </ul>	Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales and are authorised in the correct manner.	Implemented
5.3.1	One of the named auditors for the fund is also a cheque signatory.	The person appointed to the role of Private Fund Auditor cannot also be an authorised cheque signatory. Either a new auditor or	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
Medium		new cheque signatory should be appointed.	
5.3.2 High	<p>Examination of the income banked for the 2017 / 2018 academic year, identified a number of bankings that were not in accordance with the School Private Fund Regulations, of most significance:</p> <ul style="list-style-type: none"> <li>• 20.10.17 - £5,472.78</li> <li>• 16.02.18 - £2,525.04 (banked 20.02.18)</li> <li>• 09.03.18 - £11,242.80</li> <li>• 21.6.18 - £2,599.45</li> </ul> <p>All were made in contravention of the School Private Fund Regulations which state that deposits in excess of £2,500 should be undertaken by 2 adults.</p> <p>Furthermore, the deposit made on the 20.02.18 was during the February half Term holiday, and as such would have been held in the private residence of the School Clerk, again in contravention of the cash insurance limits set out in the School Private Fund Regulations.</p>	<p>All income received should be banked in accordance with the School Private Fund Regulations which at present require that all money is banked weekly where £50.00 or more is collected, or immediately where the amount in hand reaches £200.00.</p> <p>The School could consider the introduction of a secure cash collection and contact the Council's Bank Reconciliation Team based at Bronwydd to discuss this option. There may be a charge for this service, but this would allow the School to make regular deposits in a safe environment thus eliminating the risks of banking visits.</p>	Implemented
5.3.3 High	<p>Upon receipt, the School Private Fund bank statements are reconciled to the cheque book and bank paying in book.</p> <p>The Ledger, which is in an Excel format, is not however used in the reconciliation process, as the School were unaware of this requirement.</p> <p>An analysis of the Ledger against the subsidiary records was undertaken and the following anomalies were noted:</p>	<p>Following the Audit visit, a copy of the recommended electronic School Private Fund Ledger was provided to the School Clerk.</p> <p>The Ledger should be completed on a regular basis (at least weekly) and should include details of all income received and expenditure incurred.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> <li>Autumn Term - there is an amount of £32.00 included on the Ledger for a contribution to the bus for year 5/6 to St Elvans Church - this amount has not been banked (please also see 5.3.6)</li> <li>Spring Term - a banking of £2,343.70 was made on the 16.2.18 and this amount included a £1,100.00 donation to the School - this amount has not been included on the Ledger</li> <li>Summer Term - a banking of £667.90 was made on the 13.7.18, this amount includes a payment of £17.00 in respect of March concert money which has not been included on the Ledger.</li> </ul>	<p>The Ledger should also be used in the Bank Reconciliation exercise by ensuring that the entries on the Record of Daily Income, the Ledger and subsequent banking slips are correct and correspond to the Bank Statements.</p> <p>Furthermore, a copy of the Fund Ledger should be printed off and retained on file for each monthly reconciliation, in accordance with the School Private Fund Regulations.</p>	
5.3.4 Low	<p>Examination of the School Private Fund expenditure for the current academic year identified instances of expenditure that are not in line with the School Private Fund Regulations:</p> <ul style="list-style-type: none"> <li>8.11.17 - £7.56 - staff milk</li> <li>21.12.17 - £10.08 - teachers milk bill</li> </ul> <p>Although it is accepted that £10.10 was received on the 21.12.17 to cover the December payment, no income could be found to cover the November payment.</p>	<p>This type of activity / expenditure falls outside the scope of the fund and alternative arrangements must be sought with immediate effect.</p>	Implemented
5.3.5 Medium	<p>Section 4.2 of the School Private Fund Regulations states that: <i>'All monies collected must be banked intact, in order that income can be traced and reconciled to bankings.'</i></p>	<p>All income received should be banked intact to ensure that it can be traced and reconciled to bankings.</p>	Implemented



SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	Examination of the fund income for the 2017 / 2018 academic year identified 1 occasion whereby £32.00 cash was withheld from income collected to provide a donation to the local church (St Elvans).	Alternative arrangements should be made in respect of making donations in future i.e. all payments made by cheque or financed from a cash float.	
5.4.1 Medium	<p>The School Purchase Card is not being used in accordance with the guidance and procedures which have been issued by the Procurement Service:</p> <ul style="list-style-type: none"> <li>• There is no Transaction Log in place;</li> <li>• There is no Card Sharing Log in place; and</li> <li>• VAT receipts are not always being obtained.</li> </ul> <p>Note – it was established that the school were unaware of the correct procedures to follow as the School Clerk has only recently been appointed.</p>	<p>A copy of the Purchase Card Holder manual (which guides and protects those individuals involved in using the Purchase Card) has now been provided to the School for all staff involved in the administration to be aware of the procedures to follow and adhere to them.</p> <ul style="list-style-type: none"> <li>• A transaction log should be introduced for the purchase card and details of all purchase card transactions should be promptly updated onto the log which should then be used to reconcile to the Barclaycard system upon receipt.</li> <li>• A Card Sharing Log should be introduced immediately on occasions where a member of staff other than the cardholder require the use of the card.</li> <li>• Every effort should be made to obtain appropriate VAT receipts where VAT is to be reclaimed.</li> </ul> <p>The School are reminded that in the event of any uncertainty, help and advice should be</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		sought from the Procurement Service.	
5.5.1 Medium	<p>There is no Official F111 order book in use at the School. Instead, staff complete order requisition forms which have been devised by the School Clerk.</p> <p>Copies of the order forms are held in a file at School.</p> <p>It was also established that whilst delivery notes are retained, they are held in a delivery note file (in Supplier order), and similarly, photocopies of paid invoices are held in an invoice file, and retained in Supplier order.</p>	<p>Internal Audit have requested that 2 Official Order books be sent / issued to the School immediately.</p> <p>On receipt of the books, care should be taken to ensure that:</p> <ul style="list-style-type: none"> <li>• An official order is fully completed each time an order is placed</li> <li>• Delivery notes are checked to the copy order, the copy order being appropriately endorsed with the delivery details.</li> <li>• Invoice details should be recorded on all copy orders. Details should include the invoice number, amount and date passed for payment.</li> </ul> <p>All documentation relating to each order should be retained together for ease of reference and in a sequence which allows them to be easily retrieved.</p>	Implemented
5.6.1 Medium	<p>It was reported by Catering Finance that the school has failed to submit their ½ term catering returns since Autumn Term 2017, at which time the dinner money arrears were high.</p> <p>At the time of the Audit visit, the dinner money arrears had reduced to</p>	Half termly returns must be completed and returned to Catering Finance in accordance with the Arrears protocols.	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	£325.38 (with 7 pupils with arrears in excess of the 2 week limit).		

**AUDIT NAME: CWMLAI PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 25/02/2019**

### **INTRODUCTION**

The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements.

The process requires primary schools to complete a self-evaluation checklist against expected controls.

Cwmlai Primary School was last subject to an Internal Audit Review in July 2014 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 primary schools comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial years of 2017/18 and 2018/19.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- 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 in accordance with the requirements of the 2017 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income 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 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 I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 2018.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.

## AUDIT OPINION

### **Governance**

The control environment in respect of Governance is considered to be effective with opportunity for improvement.

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and its sub committees have the requisite number of members and quorate levels for meetings are achieved. A Register of Business Interests is in place at the School and is updated annually.

Whilst all statutory policies and documents are present and show evidence of a review within the last 12 months, it could not be evidenced that they had been formally reviewed by the Full Governing Body. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being clearly detailed in the Governing Body minutes.

### **Safeguarding & Educational Visits**

The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.

Testing identified that all Staff received the appropriate clearances before commencing duties in their posts. Whilst there are 4 members of staff at the School who have received Level 3 Safeguarding training, for 2 members of staff, the training has now expired. There are also 6 members of staff who were not present for the Level 1 training during October 2018. This report recommends that safeguarding training is renewed / provided in line with the current requirements.

The School have a Safeguarding and Child Protection Policy which is reviewed annually; however, there was no documentary evidence at the School to confirm that all members of staff have received a copy of the Policy, have read and understood it.

The School make use of the EVOLVE system to record details of all off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'. However, audit testing identified that 3 recent residential trips had not been entered onto EVOLVE and authorised within the correct timescales.

### **School Private Fund**

The control environment in relation to the School Private Fund is considered to be effective.

The Treasurer maintains an adequate audit trail of all income and expenditure transactions. An adequate ledger is maintained and was up to date at the time of the review.

The account is reconciled to the bank statements monthly and for the previous academic year all expenditure was solely for the benefit of the pupils / school in accordance with the School Private Fund Regulations and all supported with receipts / invoices. This report contains one recommendation in respect of one of the fund Auditors is not wholly independent and therefore, arrangements should be made to appoint an alternative.

### **Purchase Card**

The control environment in relation to the Purchase Card is considered to be effective with opportunity for improvement.

There is 1 Purchase Card at the School. Audit testing identified that the Transaction Log is updated with items of expenditure upon receipt of the Bank Statement, which is not in accordance with the Purchase Card notes of guidance.

Audit testing identified that the Headteacher had inadvertently spent a total of £292.41 via the School's Purchase Card on items not linked to the School's business. It was established that it was a result of the School's Purchase Card details being saved to an Amazon account in error. Although it is accepted

that the monies were refunded back to the School immediately, this report recommends that details of the School Purchase Card are not saved to any device with all card details removed from any sites.

### **Purchasing**

The control environment in relation to Purchasing is considered to be effective.

From a sample of 5 orders examined, 3 had been raised in retrospect after receipt of the goods and corresponding invoice. This report recommends that an official order (confirmation if made by telephone) should be raised as soon as a commitment to expenditure is known.

### **School Meals**

The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.

Dinner money is updated to SIMS and banked regularly, and the School manage their arrears in line with the Catering Finance School Meal Protocol.

Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained, and the School meals income records are regularly reviewed by an independent senior member of staff to ensure that these are complete, accurate and agree with deposits made at the bank.

### **School Budget**

The control environment in relation to the School Budget is considered to be effective and there are no findings contained within this report.

A regular review of the Budget is undertaken by the Headteacher and details of the School's budgetary position is reported to the Governing Body at every meeting. Pupil numbers were reviewed and no discrepancies were noted.

### **Data Protection & Security**

The control environment in relation to Data Protection & Security is considered to be effective with opportunity for improvement.

The School is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. The School's inventory is up to date and ICT equipment is asset registered.

The School sell a variety of School uniform items, however at the time of the Audit, the balance of the stock was considered excessive and there were no stock control records in place to detail the number of items held / stock value. This report recommends that stock control records are introduced immediately to ensure that details of items sold are recorded and that an up to date record of the stock in hand is always available. This report also recommends that once all current stock has been sold, the School cease supplying school uniform to alleviate the extra workload associated with the task.

Implementation of the recommendations contained within this report will enhance the control environment further.

## **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 High	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:	The Headteacher should ensure that safeguarding training is renewed as and when required for all members of staff and	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>'Governing Bodies should ensure that all 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>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be renewed every 3 years and facilitated by RCT with Level 3 being trained every 2 years (in house refresher training can also be provided as and when required by Level 3 trained staff).</p> <p>While there are 4 members of staff who are Level 3 trained, it was noted that for 2 of these members of staff, the last training provided was in January 2016 and is therefore due for renewal.</p> <p>In addition, level 1 Safeguarding training was provided to the School on 2nd October 2018; however, there were 6 members of staff who were not present for the training.</p> <p>NB. It is acknowledged that the Headteacher has since made arrangements for Level 3 training to be undertaken for the 2 members of staff identified and that arrangements will be made to ensure that level 1 training is provided to the 6 members of staff identified as soon as possible.</p>	<p>those certificates are received and retained accordingly.</p> <p>The School should develop a central training record to demonstrate the date and level of safeguarding training 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>	
5.1.2 Medium	<p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states: <i>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received,</i></p>	<p>Following the review of the 2018 Child Protection Policy, the Headteacher should ensure that all members of staff sign to demonstrate that they have received, read</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>read and understood the Child Safeguarding Policy.'</i></p> <p>There was no evidence at the School that staff had received, read and understood the Child Protection Policy.</p>	<p>and understood the policy.</p> <p>NB. Completion of the pro forma that has been introduced for other School policies (e.g. Substance Misuse and Food &amp; Fitness) will suffice.</p>	
5.1.3 Low	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits / adventurous activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'.</p> <p>From a sample of 4 recent residential trips undertaken 3 had not been entered onto EVOLVE and Authorised within the correct timescales:</p> <p>Llangrannog - 18.05.18 Created on EVOLVE 16.5.18 Not submitted for authorisation until 16.5.18.</p> <p>Zellamsi - 17.3.18 Created on EVOLVE - 6.3.18 Not submitted for authorisation until 6.3.18.</p> <p>Zellamsi - 28.3.17 Created on EVOLVE - 24.3.17 Not submitted for authorisation until 24.3.17.</p>	<p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate.</p>	Implemented
5.2.1 Low	<p>Section 2.9 of the Scheme for Financing Schools states that: <i>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the</i></p>	<p>A declaration should be completed immediately in respect of the Governor identified. The School is reminded that where Governors are appointed mid-way through</p>	Implemented



SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</i></p> <p>Although a register has been established, no declaration was present for 1 Governor. It is accepted that the Governor was appointed to the Governing Body during the Spring Term; however a declaration should have been completed on appointment.</p>	the academic year, a Business Interests declaration should be completed.	
5.2.2 Low	<p>All statutory Policies and documents are in place at the School and were found to have been reviewed i.e. they were all signed and dated by the Chair of Governors during October 2017.</p> <p>However, it was not evident within the Governing Body minutes whether some policies / documents have been formally ratified by the Full Governing Body.</p>	The Headteacher and Governing Body should ensure that any policies that are updated/amended are presented to the Full Governing Body for ratification with a record held of this (recorded via the minutes).	Implemented
5.3.1 Low	In accordance with the School Private Fund Regulations, two Auditors have been appointed to carry out a review of the account. However, one of the auditors is related to the Fund Treasurer and is therefore not sufficiently independent.	The School should identify an alternative auditor to carry out the annual review.	Implemented
5.4.1 Medium	<p>Section 6 of the Cardholder Manual for School document issued by Procurement Services states that: <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; however, the Transaction Log is</p>	<p>Details of all Purchase Card transactions should be promptly updated onto the transaction log.</p> <p>The Transaction Log should then be used to reconcile to the Bank Statements.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	only updated on receipt of the bank statement and is therefore not an up to date record of expenditure.		
5.4.2 High	<p>Examination of the Purchase Card expenditure identified occasions during September whereby purchases from Amazon had been made which did not relate to the School.</p> <p>Investigations identified that the Headteacher had inadvertently stored the School's Purchase Card details to her Amazon account and personal purchases had been made in error using the stored details.</p> <p>NB. It is accepted that the Headteacher reimbursed the School Budget account with the money owed immediately this error was identified by the School and no other similar transactions have taken place.</p>	Under no circumstances should the School's Purchase Card details be stored on the personal accounts for any member of staff and this should be communicated clearly to all members of staff.	Implemented
5.4.3 Medium	<p>All purchase card transactions are confirmed via a monthly statement received on the 3rd of each month and the respective direct debit for the monthly sum taken from the School bank account on the 10th.</p> <p>Noting the above, for the current financial year, although a cash book journal has been undertaken for each purchase card bank statement, some delays were noted between the date of the bank statement and the subsequent cash book journal. Of significance:</p> <ul style="list-style-type: none"> <li>• May purchases were not updated onto SIMS until 5.7.18</li> <li>• June purchases were not updated onto SIMS until 4.9.18</li> </ul>	Care should be taken to ensure that cashbook journals are promptly undertaken on SIMS on a timely basis once the transaction log has been reconciled to the Purchase Card bank statements. This will ensure that SIMS provides an accurate reflection of the School's budgetary position at any given time.	Implemented
5.5.1	Examination of a sample of 5 completed SIMS purchase orders identified that 3 were raised after receipt of the goods and/or the	An official order (confirmation if made by telephone) should be raised as soon as a	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
Medium	<p>corresponding invoice:</p> <ul style="list-style-type: none"> <li>• 4610180018</li> <li>• 4610180065</li> <li>• 4610180074</li> </ul>	<p>commitment to expenditure is known. This will ensure that the order 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 invoice.</p>	
5.6.1  High	<p>The school sell a variety of School Uniform items and a large stock was present at school at the time of the audit visit.</p> <p>Discussions identified that this is a historic arrangement as some parents were previously unable to obtain school uniform from other outlets.</p> <p>However, no record of stock is held and a stock check could not be formally undertaken by Internal Audit as the balance of stock was considered excessive.</p>	<p>The School should carefully consider its next school uniform order to ensure that excessive stocks are not held (taking levels of stock in hand into consideration).</p> <p>An up to date record of all stock items should be maintained at the school and care taken to ensure that all receipts and issues are updated as and when they occur. A regular comparison between income received and stock sold / in hand should also be undertaken to determine whether the expected levels of sales/income are being achieved. This record should also be referred to when determining future orders.</p> <p>As the School is not the sole supplier of School uniform, consideration should be given to the sale of School uniform at the school being discontinued due to the storage / cost /administration involved.</p>	Implemented

**AUDIT NAME: LLWYNCRWN PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 25/02/2019**

### **INTRODUCTION**

The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements.

The process requires primary schools to complete a self-evaluation checklist against expected controls.

Llwyncrwn Primary School was last subject to an Internal Audit Review in December 2014 and this is the third cyclical visit made to the School to examine progress made under the self-evaluation process.

In September 2018, the Deputy Headteacher was appointed to Acting Headteacher while the Headteacher takes up a 2 year secondment.

### **SCOPE & OBJECTIVES**

The checklist for non-chequebook primary schools comprises of 105 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial years of 2017/18 and 2018/19.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- 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 in accordance with the requirements of the 2017 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income 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 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 I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 2018.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.

## AUDIT OPINION

### **Governance**

The control environment in respect of Governance is considered to be effective with opportunity for improvement.

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and membership of the Governing Body and its sub committees is reviewed annually. A Register of Business Interests is in place at the School and is updated annually. There are 3 vacancies on the Governing Body at present; this report recommends that the School fill the 3 Governor vacancies as soon as possible.

Not all statutory policies and documents were provided during the audit and some policies had not been subject to their annual review / been reviewed in line with statutory requirements and reported to the full Governing Body. This report recommends that the Acting Headteacher and Governing Body ensure that all statutory policies and documents are in place at the School and that a rolling review programme of all policies be introduced to ensure that all policies are up to date and reflect the current practices at the School (with Governing Body reviews / sign off processes clearly detailed in the Governing Body minutes).

The limit for purchases and virements are yet to have been determined for the Acting Headteacher who commenced in post in September 2018. This report recommends that the Governing Body confirm a scheme of delegation to formally record the Acting Headteacher's financial limits for expenditure and budget virements.

### **Safeguarding & Educational Visits**

The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.

Testing identified that all staff received the appropriate clearances before commencing duties in their posts; however, the school staff list detailing staff DBS reference numbers does not include 3 new members of staff but includes 7 members of staff who are no longer employed at the School. The School should ensure that where staff, permanent or casual, commence / terminate employment with the school, the school list is updated to reflect this.

Level 1 Safeguarding training was provided to all staff employed at the School on 24th April 2017; however, no refresher training has been provided since this date. In addition, 4 new staff members have joined the School and have not received any recognised Safeguarding training.

Furthermore, following the secondment of the Headteacher in September 2018, there are now only 2 designated members of staff with responsibility for Safeguarding and Child Protection. For both, Level 3 training has now expired having taken place on 26th February 2015 and 13th September 2016. This report recommends that a third member of staff with responsibility for safeguarding arrangements be appointed and that arrangements be made to ensure that the relevant safeguarding training is provided to all members of staff as soon as possible.

The School have a Safeguarding and Child Protection Policy which is reviewed annually; however, there was no documentary evidence at the School to confirm that members of staff have received a copy of the Policy, have read and understood it.

The School make use of the EVOLVE system to record details of all off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'.

### **School Private Fund**

The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.

A central Record of Daily Income form is not in use at the School with all income recorded directly onto individual income sheets which are created for each activity.

A ledger is maintained and whilst this was up to date at the time of the review, no running balance with the bank account is maintained. This report recommends that an additional column be added to the Ledger to allow a running balance to be maintained following each transaction.

The account is reconciled to the bank statements monthly, the Treasurer maintains an adequate audit trail of all expenditure transactions and for the current academic year, all expenditure was solely for the benefit of the pupils / school in accordance with the School Private Fund Regulations and all was supported with receipts / invoices. However, this review has highlighted, that following the secondment of the Headteacher, an additional cheque signatory for the account is required. At the time of audit visit, there were only 2 members of staff at the School able to sign cheques.

**Purchase Card**

The control environment in relation to the Purchase Card is considered to be effective with opportunity for improvement.

There are 2 Purchase Cards at the School and there is a sufficient audit trail in respect of evidence being available that supports the expenditure for both cards. However, audit testing identified that the Transaction Logs are updated with items of expenditure for both cards on receipt of the electronic Bank Statements. This report recommends that the logs are updated immediately a purchase is made in order to assist with the monthly reconciliation process.

All purchases reviewed were supported with documentation i.e. receipts, invoices, and confirmation for on-line orders.

**School Meals**

The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.

Dinner money is updated to SIMS and banked regularly, and the School manage their arrears in line with the Catering Finance School Meal Protocol.

Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained, and the School meals income records are regularly reviewed by an independent senior member of staff to ensure that these are complete, accurate and agree with deposits made at the bank.

**Data Protection & Security**

The control environment in relation to Data Protection & Security is considered to be effective with opportunity for improvement.

The School is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely.

Although ICT equipment is asset registered, this audit review identified that the School Inventory had not been updated for a number of years.

Implementation of the recommendations contained within this report will give the recently appointed Acting Headteacher the opportunity to enhance the control environment further.

**SUMMARY OF RECOMMENDATIONS:**

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	In line with the Cwm Taf Safeguarding Children’s Board’s Child Safeguarding Policy (that all schools must adopt), all schools are required to have 3 Designated members of staff responsible for Safeguarding.	A third member of staff with designated responsibility for safeguarding should be appointed immediately. Once the appointment has been made, arrangements	31 August 2019

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	Following the secondment of the Headteacher, there are now only 2 members of staff at the School with designated responsibility for safeguarding.	should be made for the appropriate Safeguarding and Child Protection training (Level 3) to be undertaken.	
5.1.2 Medium	Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states: <i>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</i>  There was no evidence at the School that staff had received, read and understood the Child Protection Policy.	Following the review of the 2018 Child Protection Policy, the Headteacher should ensure that all members of staff sign to demonstrate that they have received, read and understood the policy.	Implemented
5.1.3 High	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 all 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>  The current requirements for safeguarding training are that Level 1 & 2 needs to be renewed every 3 years and facilitated by RCT with Level 3 being trained every 2 years (in house Level 1 refresher training should also be delivered annually by Level 3 trained staff).	Arrangements should be made to ensure that level 1 training is provided to all members of staff as soon as possible.  Level 3 training should also be arranged for the designated members of staff with responsibility for Safeguarding.  The Acting Headteacher should also ensure that the training record presently in use at the School is referred to periodically to ensure that Safeguarding training is renewed as and when required for all members of staff. Alternatively, this could be incorporated into	31 March 2019

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	<p>Whilst there is a record and schedule of training held at the School which states that all staff employed at the School on 24th April 2017 undertook Level 1 training, the training has now expired and a further 4 members of staff have commenced employment at the School.</p> <p>Furthermore, although the 2 designated members of staff with responsibility for Safeguarding undertook Level 3 training on 26th February 2015 and 13th September 2016, this training has also expired.</p> <p>NB. It is accepted that the Acting Headteacher has recently undertaken supplementary Level 3 training in respect of Foetal Alcohol disorder and Prevent Strategy Awareness.</p>	<p>the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p>	
5.1.4 Low	<p>The school staff list detailing staff DBS reference numbers does not include 3 new members of staff but includes 7 members of staff who are no longer employed at the School.</p>	<p>The School should ensure that where staff, permanent or casual, commence / terminate employment with the school, the school list is updated to reflect this.</p>	31 March 2019
5.2.1 Medium	<p>The limit for purchases and virements are yet to have been determined for the Acting Headteacher who commenced in post in September 2018.</p>	<p>The Governing Body should confirm a scheme of delegation to formally record the Acting Headteacher's financial limits for expenditure and budget virements. The agreed limits should be minuted and be incorporated into the School's Financial Procedures document.</p>	31 March 2019
5.2.2 Low	<p>The membership of Governing Bodies is set out in Chapter 3 of the Government of Maintained Schools (Wales) Regulations 2005.</p>	<p>The School should endeavour to fill the 3 LEA Governor vacancies as soon as possible.</p>	31 March 2019



<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	Examination of the Governing Body structure identified 3 LEA Governor vacancies at present.		
5.2.3 Medium	All statutory policies and documents were requested during the audit fieldwork. Not all policies / documents were provided and there were some that had not been reviewed in line with statutory requirements.	<p>The Acting Headteacher and Governing Body should ensure that all statutory policies and documents are in place at the School.</p> <p>A rolling review programme of all Policies should be introduced to ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	31 July 2019
5.3.1 Low	<p>The entries in the School Private Fund Ledger in respect of income / expenditure should allow for prompt reconciliation within each financial period.</p> <p>No running balance with the bank account is maintained on the School Private Fund Ledger.</p>	To ensure that an accurate balance of the School Private Fund is maintained, an additional column should be added to the Ledger to allow a running balance to be maintained following each transaction.	Implemented
5.3.2	No formal record of daily income is in use at the School. Instead, all	In addition to the individual trip / activity	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	income is recorded directly onto individual class income sheets which are created for each activity.	records, a central Record of Daily Income should be maintained by the Treasurer. This form should be completed as and when the Treasurer receives any income, including the date the income is received.  When income is subsequently deposited with the bank, the amounts should be totalled and ruled off.	
5.3.3 Low	Following the secondment of the Headteacher (who was removed from the Bank Mandate) there are now only 2 cheque signatories for the School Private Fund and both signatures are required to authorise a cheque.	The School should add another cheque signatory as a back-up and to ensure that cheques can be authorised and issued promptly.	31 March 2019
5.4.1 Medium	Point 6.1 of the Cardholder Manual for Schools states: <i>'Each Purchasing Card transaction should be recorded on your transaction log as soon as the transaction is complete to ensure that no information is omitted.'</i>  The Transaction Log is currently updated following receipt of the on-line Bank Statements and not as and when a purchase is made.	In line with the Cardholder Manual, the transaction log should be updated as and when a Purchase Card payment is made, which will enable the transactions listed on the log to be reconciled to the Barclays system.	Implemented
5.5.1 Medium	The School's inventory has not been updated for a number of years.	A full inventory review should be undertaken and all new equipment recorded as soon as possible. Thereafter an annual review should be carried out to ensure that the record is accurate and up-to-date.	31 March 2019

**AUDIT NAME: YGG LLWYNCELYN**

**DATE FINAL REPORT WAS ISSUED: 06/02/2019**

### **INTRODUCTION**

The self-evaluation process is designed to evaluate the effectiveness of a School's financial and governance arrangements.

The process requires primary schools to complete a self-evaluation checklist against expected controls.

Ysgol Gynradd Gymraeg Llwyncelyn was last subject to an Internal Audit Review in March 2016 and this is the third cyclical visit made to the School to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this Final report will be presented to the Governing Body during the Spring Term meeting of 20th March 2019.

### **SCOPE & OBJECTIVES**

The checklist for chequebook primary schools comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial years of 2017/18 and 2018/19.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- 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 in accordance with the requirements of the 2017 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income 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 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 I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 2018.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.

## **AUDIT OPINION**

### **Governance**

The control environment in respect of Governance is considered to be effective with opportunity for improvement.

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and a Register of Business Interests is in place at the School and updated annually.

Whilst all statutory policies and documents are present and demonstrate a recent review by the Headteacher and the Chair of Governors, from the 25 statutory policies and documents, there are 12 that, following review during September 2018, have not yet been presented to the Full Governing Body for formal ratification. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being clearly detailed in the Governing Body minutes.

### **Safeguarding & Educational Visits**

The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.

Testing identified that all staff received the appropriate clearances before commencing duties in their posts.

The School have recently received Level 1 Safeguarding and Child Protection training; however, a review of the attendance sheet identified 3 current staff members who were not present for the training. Furthermore, although a list of 4 members of staff that had undertaken Level 3 training was provided, no certificates were available at the School to demonstrate attainment.

The School have a Safeguarding and Child Protection Policy which is reviewed annually and although there was documentary evidence at the School to confirm that all members of staff have received a copy of the Policy and have read and understood it, the document was not completed until the commencement of the audit fieldwork. Therefore, the Headteacher is reminded that the document should be completed each year and confirmed by all staff at the time of the annual policy review.

The School make use of the EVOLVE system to record details of all off-site visits; however, this review has identified that school trips are not being authorised in accordance with the document 'Planning and Approval Procedures for Educational Visits' and this report recommends that all trips / activities are entered onto EVOLVE within the correct timescales and authorised in the correct manner.

### **Petty Cash**

The control environment in respect of the Petty Cash system is effective with opportunity for improvement.

Expenditure from the account is generally minor in nature; however, 3 occasions were noted whereby payments were made in respect of reimbursements to staff for expenditure already incurred, and hence VAT could not be reclaimed.

### **School Private Fund**

The control environment in relation to the School Private Fund is considered to be effective and there are no findings contained within this report.

A Management Committee has been appointed and posts held relate to actual duties undertaken. The Treasurer maintains detailed records, with an adequate audit trail of all income and expenditure transactions. The Ledger was found to be of an appropriate format and was up to date at the time of the review. Income is banked regularly and the account is reconciled to the bank statements monthly.

For the current academic year all expenditure was solely for the benefit of the pupils / School and in accordance with the School Private Fund Regulations. All expenditure was supported with receipts / invoices.

**Purchase Card**

The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.

There is one Purchase Card in operation at the School. A Transaction Log is maintained to record all expenditure. The card is reconciled monthly to the Bank Statement and no delays were noted with the appropriate cash book journal adjustment on the School's financial management system. All purchases reviewed were supported with documentation i.e. VAT receipts, invoices and confirmation for on-line orders.

**Purchasing**

The control environment in relation to the Purchasing system is considered to be effective and there are no findings contained within this report.

There is a process in place whereby all purchases are authorised by the budget holder prior to committing the School to expenditure and from a sample of 10 completed orders, all had been raised prior to receipt of the goods and corresponding invoice. All payments in the sample were supported by valid VAT invoices, with the cheque signatories examining documentation prior to authorising cheques.

**School Meals**

The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.

School meals income is recorded directly onto SIMS, with meal numbers provided to the Catering staff daily. Income is banked weekly and free school meals are only provided to pupils for whom eligibility has been confirmed and retained.

The School regularly send reminders to parents in respect of dinner money arrears; at the time of the visit 3 pupils had arrears in excess of the 2 week limit.

**School Budget**

The control environment in relation to the School Budget is considered to be effective and there are no findings contained within this report.

SIMS is updated with details of School Income in a timely manner and a bank reconciliation is undertaken monthly. A regular review of the Budget is undertaken by the Headteacher and details of the School's budgetary position is reported to the Governing Body at every meeting.

**Data Protection & Security**

The control environment in relation to Data Protection & Security is considered to be effective.

The School is registered with the Information Commissioner. Data is backed up daily by the ICT support provider and ICT equipment is asset registered.

The School sells School Ties but no stock records are held. This report recommends that stock control records are introduced immediately to ensure that details of items sold are recorded and that an up to date record of the stock in hand is always available.

**Formula Funding**

The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<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 all 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>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be renewed every 3 years and facilitated by RCT with Level 3 being trained every 2 years.</p> <p>In house Level 1 refresher training should also be delivered annually by Level 3 trained staff.</p> <p>Whilst formal Level 1 training was provided by Cwm Taf on 8th January 2019, a review of the attendance sheet identified that 3 members of staff were not recorded as present for this training.</p> <p>Furthermore, although a list of 4 members of staff that had undertaken Level 3 training was provided, no certificates were available at the School to demonstrate attainment.</p>	<p>Level 1 Safeguarding training should be arranged for the 3 members of staff identified as soon as possible.</p> <p>The Headteacher should ensure that safeguarding training is renewed as and when required for all members of staff and certificates are received and retained accordingly.</p> <p>The School should also develop a central training record to demonstrate the date and level of safeguarding training 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>	31 March 2019
5.1.2 Medium	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits/adventure activities must be 'planned and approved using the EVOLVE system at least 28 days before the visit'.</p> <p>From a sample of trips examined, occasions were noted where the</p>	<p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales and are authorised in the correct manner.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	trips are yet to be fully completed on EVOLVE and as a result they have not been authorised in the correct manner.	The School is reminded that in the event of difficulties being experienced with the use of the EVOLVE system, the Outdoor Education Advisor should be contacted for clarity.	
5.2.1 Low	<p>The membership of governing bodies is set out in chapter 3 of the Government of Maintained Schools (Wales) Regulations 2005. This specifies that the composition of the Governing Body should consist of either 12 or 13 Governors.</p> <p>Examination of the current Governing Body structure revealed that there is currently 1 LEA Governor vacancy.</p>	The School should endeavour to fill the Governor vacancy as soon as possible.	31 March 2019
5.2.2 Low	<p>All statutory policies and documents are in place at the School and all demonstrate a regular review.</p> <p>However, whilst all policies and documents are endorsed with the date of the last review, it was not evident within the Governing Body minutes that all had been presented to the Governing Body.</p>	All policies and documents should be presented to the Governing Body for review and ratification (and this should be minuted).	31 March 2019
5.3.1 Low	<p>Examination of the Petty Cash expenditure identified:</p> <ul style="list-style-type: none"> <li>• 1 occasion whereby a member of staff purchased 2 items of cookery equipment from an on-line retailer using her own account, to the value of £47.02.</li> <li>• 1 other occasion was noted whereby a member of staff had purchased books for the School totalling £57.56.</li> </ul> <p>The School was unable to reclaim any VAT as the payment was made to reimburse a member of staff for expenditure already incurred.</p>	<p>The purpose of a petty cash account is to facilitate the purchase of minor items of expenditure.</p> <p>Alternative methods of payment for this type of expenditure should be sought in future. This will ensure that the expenditure is authorised in the correct manner and that appropriate VAT invoices can be obtained for</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
		the VAT to be claimed.	
5.4.1 Low	The School is currently a supplier of school ties.  This review identified that no record of the tie stock in hand is held.	An up to date record of tie stock should be maintained and care should be taken to ensure that all receipts and issues are updated as and when they occur.  A periodic comparison between the stock record and the stock in hand should also be undertaken to ensure that the records match.	Implemented



## WHOLE AUTHORITY ARRANGEMENTS

**AUDIT NAME: ANTI-FRAUD, BRIBERY & CORRUPTION**

**DATE FINAL REPORT WAS ISSUED: 22/02/2019**

### INTRODUCTION

Rhondda Cynon Taf County Borough Council, like all other public and private sector organisations, faces potential risks associated with individuals and criminal organisations who set out to de-fraud it.

The Council is resolute in its determination to maintain its reputation as a Council that will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

The Chartered Institute of Public Finance & Accountancy (CIPFA) has in place a series of resources for the public sector to utilise when assessing its governance arrangements in respect of fighting fraud, bribery and corruption.

### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2018/19, a review of the Council's compliance against the CIPFA Fighting Fraud and Corruption Locally 2016-2019 checklist was undertaken.

The specific objective of the review was to ensure that:

- Appropriate evidence is in place to help demonstrate compliance against the CIPFA Fighting Fraud and Corruption Locally 2016-2019 checklist.

### AUDIT OPINION

Overall the control environment in respect of the Council being able to demonstrate compliance against the 'CIPFA Fighting Fraud and Corruption Locally 2016-2019 checklist' is considered to be effective.

Management has completed a self-assessment against the 'CIPFA Fighting Fraud and Corruption Locally 2016-2019 checklist' and Internal Audit undertook a review of the evidence provided. No instances of non-compliance that would undermine the arrangements in place have been identified from the testing undertaken.

The Anti-Fraud, Bribery & Corruption Strategy was reported to the Council's Audit Committee at its meeting held on 27th November 2017. The Strategy affirms the Council's zero tolerance stance in respect of potential misappropriation:

- Has been endorsed and is supported by the Chief Executive and Leader, and this is demonstrated in the form of the Foreword to the document;
- Sets out the governance arrangements in place in respect of preventing, detecting and investigating potential irregular activity;
- Describes the resources that are in place, within the Corporate Fraud Team, whose role it is to counter the risks associated with potential fraud, bribery and corruption; and
- Makes clear the arrangements that are in place when reporting to the Council's Audit Committee.

Since the Strategy was reported to Audit Committee, the following updates have been provided:

**End of year annual report 2017/18**

- This report outlined the progress made in 2017/18 and presented the forward work programme for the Corporate Fraud Team for 2018/19.
- Following receipt of the report, Audit Committee resolved to:
  - Note the outcomes of the anti-fraud work undertaken during 2017/18;
  - Approve the Anti-Fraud, Bribery & Corruption Plan for 2018/19; and
  - Agree to receive updates at future meetings in accordance with the Terms of Reference of the Audit Committee.

**Interim update, incorporating an overview of the national fraud Initiative**

- The purpose of this report was to outline the progress made against the Anti-Fraud, Bribery & Corruption work programme for 2018/19 and to also give the Audit Committee an overview of the National Fraud Initiative.
  - Following receipt of the report, Audit Committee resolved to:
    - Agree to receive updates in respect of the work of the Corporate Fraud Team at future meetings in accordance with the Terms of Reference and agreed work-plans of the Audit Committee.

The only item that has been raised within this report relates to the ongoing work that is taking place to finalise the Council-wide risk assessment. Implementation of this single recommendation will further assist the Corporate Fraud Team in targeting its resources on the areas perceived as the highest potential risk.

**SUMMARY OF RECOMMENDATIONS:**

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1  Medium	Section 3 of the Council's Anti-Fraud, Bribery & Corruption Strategy states: <i>'Risk Assessment</i>  <i>Fraud, Bribery &amp; Corruption risk identification is essential to understand specific (potential) exposures to risk, changing patterns in potential threats and the potential consequences to the organisation and its service users.</i>  <i>In order to deliver a robust approach to preventing and detecting</i>	The risk assessment should be completed.	31 August 2019

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>potential risk exposure, the Council is required to assess and understand the scope of potential fraud, corruption &amp; bribery risks across the Council. In order to deliver this responsibility, a risk assessment is used as the basis to formulate a programme of counter fraud work which is summarised and communicated in a 'Fraud Risk Action Plan.'</i></p> <p>Those areas where the possibility of fraud, bribery and corruption could materialise have been risk assessed. One service area now remains to be completed.</p>		

## AUDIT NAME: PERFORMANCE INDICATORS

DATE FINAL REPORT WAS ISSUED: 08/03/2019

### INTRODUCTION

The Council regularly measures the performance of delivery across all its service areas, using a combination of national and local Performance Indicators. Performance Indicators are measured against agreed targets (where targets have been set) and the results are reported 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 an owner who is responsible for declaring the methodology and accuracy of the calculation via the pro-forma Self-Assessment Form. The in-year production and review of this performance information enables service managers to measure 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 2018/19, 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; and
- That the calculation was arithmetically accurate.

### AUDIT OPINION

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

Assurance can be given that each Performance Indicator examined had appropriate definitions and methodologies and were implemented in line with the aims of those definitions and methodologies. Supporting data was available in most cases and reliance may be placed on the calculations for 9 of the 14 Performance Indicators examined.

For the remaining 5 Performance Indicators, one indicator (the number of visits to local authority sports and leisure facilities per 1,000 population where the visitor will be participating in physical activity) the Title, Definition and Methodology are incorrect, and as a result the reported data is also inaccurate as it is not capturing the intended cohort/participants.

For another indicator (the number of new homes created as a result of bringing empty properties back into use), it was established that the reported figure is incorrect as the empty properties brought back into use were previously commercial properties. The National Definition and Methodology for this Indicator

confirms that they cannot be included as part of the calculation.

For two indicators (% of all planning applications determined on time & % of planning applications dismissed) assurance cannot be provided that the reported figures are correct as the Service have not retained the base data reports at the time this indicator was reported.

Additionally, clarity needs to be sought and provided in respect of the Performance Indicator 'Number of working days lost to sickness absence per employee' as this Indicator has never been reported, despite it being a National Indicator.

Quality assurance reviews put in place by the Corporate Performance Team had not taken place for the Performance Indicators examined. Additionally, 8 of the 14 Indicators did not have a Target set.

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

**SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1  High	<p>Each service area is responsible for the collection, monitoring and reporting of performance indicators (Guidance and support is provided by the Corporate Performance Team).</p> <p>Previous Internal Audit reviews recommended the introduction of routine quality assurance mechanisms to check the quality of reported data. The service indicated that a more targeted approach would be deployed during 2017 in line with resources available.</p> <p>It was found during the review that of the 14 Performance Indicators sampled, none had been reviewed by the Performance Team since the last audit report.</p>	<p>As previously recommended, the Performance Team should implement a rolling programme to sample check Performance Indicators throughout the Council.</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>	31 August 2019
5.1.2  High	<p>From a sample of 14 Performance Indicators examined, it was found that 9 had been accurately reported. The 5 that had not were: -</p> <p>Regeneration &amp; Planning</p> <ul style="list-style-type: none"> <li>• PAM014 - No. of new homes created as a result of bringing empty properties back into use</li> </ul>	<p>Service Management must ensure that the figure reported for each performance indicator is supported by source data and is accurate.</p> <p>Service Management should also ensure any data that is not received is chased up and</p>	30 April 2019

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Reported figure is incorrect as the empty properties brought back into use were previously commercial properties (the National Definition and Methodology for this Indicator confirms that they cannot be included as part of the calculation).</p> <p>The Housing Strategy And Investment Manager was of the understanding that Commercial Properties were to be within the calculation, to which an addendum to the National Definition would be sought after being made aware of this.</p> <p>Leisure</p> <ul style="list-style-type: none"> <li>• LLCS014 - No. of visits to local authority sports and leisure facilities per 1,000 population where the visitor will be participating in physical activity (New Local PI - includes school usage)</li> </ul> <p>The PI Title, Definition and Methodology are incorrect and as a result the reported data is also inaccurate. Discussions with the Leisure Operations Manager identified that this Indicator should include all visitors, not just the ones undertaking physical activity (as that is already a National Indicator).</p> <p>Notwithstanding this, not all data for physical activities are being reported, e.g. weekly Park Runs in Ynysangharad Park, Aberdare Park etc., whereby there are hundreds of participants every week.</p> <p>Additionally, the APSE Multiplier used to calculate usage on each activity does not appear to be appropriate for some activities. For example – Rugby (Senior Matches) – 33 people should be used as the multiplier for the number of participants as per APSE. However, Senior</p>	<p>obtained for reporting.</p> <p>The source data must be challenged and reviewed prior to figures being reported publically.</p>	

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Rugby Matches have more participants than this.</p> <p>Regeneration &amp; Planning</p> <ul style="list-style-type: none"> <li>• PAM018 - % of all planning applications determined on time</li> <li>• PAM019 - % of planning applications dismissed</li> </ul> <p>Assurance cannot be provided that the reported figures are correct as the Service did not retained the base data reports at the time this Indicator was reported. With the system being updated every day, it is not possible to extract data to reconcile to the reported figures retrospectively at a point in time.</p> <p>Additionally, clarity needs to be provided in respect of the following Performance Indicator: -</p> <p>Human Resources</p> <ul style="list-style-type: none"> <li>• PAM001 - Number of working days lost to sickness absence per employee</li> </ul> <p>This Indicator has never been reported despite it being a National Indicator.</p> <p>Discussions with the Head of Service, Pensions, Payroll &amp; Payments established that whilst Vision can be used to provide some analysis and data to be reported, this would be inaccurate as there are so many variables around employees hours/days/shifts/manual timesheets etc., in certain departments throughout the Council.</p> <p>However, all other Councils in Wales are reporting data for this performance indicator.</p>		

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.3  Medium	<p>Each Performance Indicator should have a Target; where a Target is not set, then a documented rationale should be in place.</p> <p>8 of the 14 PIs did not have a Target and no rationale was provided. It was also found that where rationales for targets were provided, these do not form part of the Definition and Methodology document, but are documented elsewhere.</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.</p> <p>This rationale should be included with the Definition and Methodology.</p>	30 April 2019



## COMMUNITY & CHILDREN'S SERVICES

### AUDIT NAME: REGISTRATION SERVICES

DATE FINAL REPORT WAS ISSUED: 29/01/2019

#### INTRODUCTION

A registry office is a British government office where births, deaths and marriages are officially recorded and civil marriages take place. Set up by an Act of Parliament in 1837, the statutory registration service is overseen by the Registrar General as part of the General Register Office. With effect from 1st December 2007, all Registrars and Superintendent Registrars in England and Wales became employees of the local authorities who now provide the Registration Service. Responsibility for this function lies with the Group Director of Community and Children's Services. The Service is managed locally by the Director, Public Health, Protection & Community Services. Registrations are carried out by a registrar; the Registry Office for Rhondda Cynon Taff is based in the Municipal Buildings, Pontypridd.

#### SCOPE & OBJECTIVES

In accordance with the agreed Internal Audit plan for 2018/19, as approved by Audit Committee, a review of the Registration Service was undertaken. The primary purpose of the review is to provide Management with an opinion on the adequacy and effectiveness of the internal control systems operating within the Registration Service.

The specific control objectives were:

- To examine the security of arrangements around receipt, storage and the use of the secure certificate stock held.
- To ensure that payments are received, formally recorded and banked in accordance with Council guidelines.
- To ensure that civil ceremonies have been conducted at approved premises and in accordance with the licence requirements.

#### AUDIT OPINION

##### **Stock Control**

The control environment in respect of Stock Control is considered to be effective with opportunity for improvement. The Registry Office is registered with the Information Commissioner. Passwords are only known to individuals and are not shared and there are appropriate controls in place to ensure that there is no unauthorised access to the online RON system. There are also safeguards in place to ensure that no unauthorised access to the Certificate Stock is gained. Rhondda Cynon Taf Registration Service issue approximately 18,000 certificates a year. Certificate stock is ordered on an annual basis from the General Register Office. Responsibility for ordering certificate stock lies with each individual Registrar. A review of the procedures in relation to the receipt, control and issue of certificate stock was undertaken. It was established that all Officers are working consistently when undertaking their statutory duties in respect of the receipt, control and issue of certificate stock and associated record keeping. However,

this review has identified uncertainty as to the whereabouts of any Operational Guidance Document for Officers to refer to in the event of staff absence or for new Officers to refer to following a new member of staff being appointed to post.

There is a periodic stock check of unused certificate pads undertaken by all Registrars.

### **Payment of Certificates**

The control environment in respect of the Payment of Certificates is considered to be effective with opportunity for improvement.

A sample of certificates issued during September 2018 was examined. It was noted that of the certificates issued - the correct information had been provided in respect of all applications, payment was accounted for and was entered onto CIVICA immediately.

However, audit testing identified that money is being held in respect of pending certificate searches (£10 per enquiry), although no formal record of the income received is made unless the search is successful and a certificate issued. For those applications which remain pending - either due to insufficient information being received or the search being unsuccessful - the application and income would be retained indefinitely (at the time of the audit there was £20 present relating to pending searches in excess of 6 months old). This report recommends that a formal record of the income should be made upon receipt and Management should consider re-introducing the formal receipt book which is held in the General Office. This will ensure that all applicants have confirmation that money has been handed over to the Service and the income is properly accounted for.

All staff are aware that potential fraudulent applications are reported to the General Registrar's Office and there have been no further fraudulent applications made since the 8 fraudulent applications noted in the 2015 Internal Audit report.

### **Civil Ceremonies**

The control environment in respect of Civil Ceremonies is considered to be effective with opportunity for improvement.

At the time of the audit visit there were 13 registered premises within Rhondda Cynon Taf that could conduct a civil wedding ceremony. However, the Council website only provides details of 10 approved premises for ceremonies, one of which provides an incorrect link to an establishment in Kettering. The Council website is therefore not an accurate reflection of the current approved premises, which could prevent individuals from making a booking due to incomplete/inaccurate information. The website should be updated to include all premises within Rhondda Cynon Taf that are registered to conduct a marriage, including the correct links to the websites for each establishment.

Implementation of the recommendations contained in the report should assist the Superintendent Registrar in further enhancing the current levels of control.

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	<p>There was uncertainty at the time of the audit as to whether there is an Operational Guidance Document in place detailing the processes to be followed and roles and responsibilities of staff in relation to:</p> <ul style="list-style-type: none"> <li>• Audit of Certificate of stock control;</li> <li>• Security of stock;</li> <li>• Use of certificate stock / spoiled certificates; and</li> <li>• All other duties expected of the Registration Staff.</li> </ul> <p>It was also identified that a new Registrar was appointed to the Service during May 2018; however no written guidance had been provided.</p>	<p>Management should compile an Operational Guidance Document detailing the specific elements of each process within the Registration Service.</p> <p>This guidance should be issued to all staff for guidance/reference.</p>	Implemented
5.1.2 Medium	<p>At all times, Registrars should ensure that certificate stock is held securely to prevent theft, loss or damage when the stock is in use, in transit or when it is not being used, and records are held by all Registrars to demonstrate this.</p> <p>From examination of all stock held, it was noted that 1 Registrar did not have a formal record of Marriage Certificate stock.</p>	<p>An up to date record of all certificate stock should be maintained at all times and care should be taken to ensure that all receipts and issues are updated as and when they occur. A regular comparison between the stock held and the stock record should also be undertaken to ensure that all certificate stock is accounted for.</p> <p>NB. It is accepted that a record of the Marriage Certificate stock was made as soon as this was highlighted.</p>	Implemented
5.2.1 Medium	<p>Applications made to the Registry Office in respect of certificate searches cost £13 for a same day search and £10 for a next day search.</p> <p>Only cash payments are accepted together with a fully completed Application Form.</p>	<p>Where income received is not directly recorded onto CIVICA, a formal record of the income should be made. Management should consider re-introducing the formal receipt book which is held in the General</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	<p>A receipt is not provided to the Applicant for the payment received and no formal record of the income received is made (unless the search is successful and a certificate is issued).</p> <p>If the search is unsuccessful, the application is classed as "pending" and both the income and application form retained indefinitely until the applicant requests the payment back or provides further information in order for the search to proceed further.</p> <p>At the time of audit testing, there were 2 x £10 payments held at the Registry Office (which had been received in October 2017 and February 2018) in respect of next day searches that were still classed as "pending" between 6 -12 months after receipt and the income unreceipted.</p>	<p>Office. This will ensure that the applicant has confirmation that money has been handed over to the service and the income is properly accounted for.</p> <p>In the event that the search does produce a certificate and the money is subsequently paid into CIVICA, the copy receipt should be marked accordingly giving reference to the e-return tracker number.</p>	
5.3.1  Low	<p>At the time of the audit visit there were 13 registered premises within Rhondda Cynon Taf that could conduct a civil wedding ceremony.</p> <p>However a review of the Council website revealed that only 10 of these premises were listed – and one provided a link to an incorrect establishment in Kettering.</p>	<p>The Council website should be updated to include all premises within Rhondda Cynon Taf that are registered to conduct a marriage.</p> <p>Furthermore, care should be taken to ensure that the correct links to the websites for each establishment are also included.</p>	Implemented

## AUDIT NAME: THE PANEL PROCESS

DATE FINAL REPORT WAS ISSUED: 22/02/2019

### INTRODUCTION

The purpose of the quality assurance panels is to make best use of resources, these include:-

- Reviewing the quality of the assessment and care plans in line with the requirements of the Social Services and Well-being Act.
- Reviewing the service request and ensuring the service best meets the needs of the individual and there is evidence of other alternatives which have been considered.
- Returning a decision on the suitability of the request and either authorise or return to the assessor.

The panels which must consist of at least two members of staff will consider the following commissioned service requests:-

- Domiciliary Care
- Day Services
- Residential / Nursing Home
- Telecare

Each panel will meet daily in the morning. The person requesting the service has to complete the following documents prior to the meetings taking place:-

- Care Plan.
- Assessment or review.
- Costed care package sheet.

During the Panel, the managers will undertake tasks that include:-

- Reading the submitted documentation.
- Ensuring that the Care Manager/ Risk Assessor/ Supervisor has considered alternatives to a commissioned service.
- Ensuring that the eligibility criteria for Care and Support has been met.
- To make comments, if necessary, on the quality of the documentation received.
- To agree the Care Plan and sign the Costed Care Package form as authorisation for the care package.

### SCOPE & OBJECTIVES

The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the controls surrounding the Panel Process. The specific objectives of the review were to ensure that:-

- Each Panel is operating in line with the Operational Guidance notes.

- All new clients service provision and variations to existing clients service provision is approved by a Panel.

#### **AUDIT OPINION**

The overall control environment in relation to the management of the Panel Process is considered to be effective with opportunity for improvement. With regard to each objective examined:-

#### **Audit Objective - Each Panel is operating in line with the Operational guidance notes.**

Three Panel meetings are scheduled to be held each day, two in Ty Elai and one in Cynon, and each consists of a minimum of two Service Managers.

It was noted that assessments were read in full by all Panel Members and considered thoroughly before making a decision.

However, it was witnessed that decisions cannot always be made as the information provided in the Care Plan / Assessment is not always comprehensive.

The required information would subsequently be requested from and submitted by the Care Manager as a new request to a Panel which is unlikely to consist of the same Panel members.

This report provides recommendations in respect of potential improvements to the current processes in place. In addition, Internal Audit also received verbal feedback from some staff involved in the Panel process during the fieldwork and it is recommended that management speak in detail to these / all officers in order to obtain the thorough and frank views of staff.

Following this exercise, if any further areas for improvement are identified, then arrangements should be put in place to address them.

#### **Audit Objective - All new clients service provision and variations to existing clients service provision is approved by a Panel.**

A Panel spreadsheet records all cases referred to Panel for a decision. It typically includes the clients name, the package of care requested and the initials of the Managers attending Panel. The spreadsheet is updated immediately by the Short Term Intervention Team (STIT) whereas business support undertake the updates on behalf of the Care and Support Teams.

Examination of a sample of 20 new care packages / the Panel spreadsheet identified that:-

An invoice received for a new client did not correspond to the package recorded on the Panel spreadsheet.

The Panel spreadsheet had not always recorded the initials of both Panel Managers.

Implementing the recommendations contained within this report will help improve the overall control environment in place.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Medium	<p>Care Managers are required to submit the following information for each care package request direct to the Panel:-</p> <ul style="list-style-type: none"> <li>• A Care Plan.</li> <li>• An Assessment or review.</li> <li>• A costed care package sheet.</li> </ul> <p>Internal Audit attended 3 panel meetings. It was observed that requests are often referred back to the Care Managers (only), as the documents submitted were not always comprehensive to enable a decision to be made.</p> <p>The omitted information would typically be provided by the Care Manager and resubmitted as a new request to Panel. As Panel members vary, the amended referral is unlikely to be reviewed by the original Panel members.</p> <p>A meeting was also held with Care and Support team managers to obtain their views and opinions of the Panel Process; they highlighted several areas of concern, which included:-</p> <ul style="list-style-type: none"> <li>• As noted, referrals requiring additional clarification for Panel are returned directly to the Care Manager only.</li> <li>• Panel meetings are typically up to 2 hours each day for 2 members of staff.</li> <li>• Resubmitted cases are typically reviewed by different panel members.</li> </ul>	<p>If the Panel does request further information, then consideration should be given to include the Line Managers in the communication as additional training may be required.</p> <p>Senior Management should liaise with all officers that attend Panel to hear their views and establish if any operational improvements / changes can be made.</p>	Implemented
5.2.1	A sample of 20 new care packages were examined to ensure the	Management should ensure that the	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
Low	<p>invoices received from the care providers corresponded to the packages of care authorised by Panel; the following was noted:-</p> <ul style="list-style-type: none"> <li>MC XXXXX7 (East 3) - 24.30hrs home care on invoice and commissioning form, only 12.15hrs recorded on the panel spreadsheet 29/12/17.</li> </ul> <p>It was established that this client was to receive double handling.</p>	Homecare Panel recordings spreadsheet accurately reflects the total hours / package agreed by the Panel.	
5.2.2 Low	<p>At least two officers should attend Panel meetings and the Panel spreadsheet should be updated with each officer's initials to support the decisions made.</p> <p>Examination of the Panel spreadsheet identified that occasionally only the initials of one officer were recorded.</p>	Where applicable, management should ensure that the spreadsheet indicates the Panel officers that made the decisions.	Implemented
5.1.2 Medium	<p>The Care and Support Teams commissioning process flowchart states that the Head of Service should be obtaining approval for all home care packages of 30 hours or more.</p> <p>Testing identified that only the authorisation of panel is obtained.</p>	Management should ensure that the Care and Support Teams are adhering to the Commissioning Process flowchart when considering a package of care.	Implemented



## AUDIT NAME: ADOPTION SUPPORT PAYMENTS

DATE FINAL REPORT WAS ISSUED: 07/03/2019

### INTRODUCTION

The National Adoption Service for Wales was launched in November 2014 bringing all Councils in Wales together into a unique collaboration for the delivery of adoption services. The legal basis underpinning the service is the Social Services and Well-being Act (Wales) 2014 which gave Welsh Ministers the power to direct how local authorities in Wales deliver their adoption functions. This is enforced through the Adoption and Children Act 2002 (Joint Adoption Arrangements) (Wales) Directions 2015 [generally referred to as the 'Directions Powers'] which requires Councils to collaborate to create Regional Adoption Collaboratives. Rhondda-Cynon Taf County Borough Council forms part of the Valleys, Vale and Cardiff collaborative (VVC) which also consists of Merthyr Tydfil, Cardiff and Vale of Glamorgan.

The Adoption Support Service (Local Authorities) (Wales) Regulations 2005 continue the principle from the Adoption Allowance Regulations 1991, that financial circumstances should not prevent the adoption of a child, where it is in the child's best interest. Payment can be made as a 'single one-off payment' or regular payments depending on the circumstances.

Under the VVC, the responsibility for deciding whether a child needs to be adopted lies with the Adoption Decision Maker within the Council responsible for their care. However, the responsibility for carrying out the child's assessment, matching with a family and assessing whether Adoption Support Payments are applicable lies with the Vale of Glamorgan Council. The assessment calculation and subsequent payments are then made by the Council with the duty of care.

### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for the financial year 2018/2019 as agreed by Audit Committee, a review of the key controls within the system was undertaken. Audit testing was carried out on the process in place for Adoption Support Payments to establish whether the process is operating effectively.

The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control system.

The objectives of the review were to ensure that:

- Payments made are accurate, supported by adequate assessments, authorised appropriately and comply with formal agreements in place; and
- Ongoing payments are subject to regular review/re-assessment.

### AUDIT OPINION

The overall control environment in relation to Adoption Support Payments is considered to be insufficient and requires improvement.

Following completion of the fieldwork for this review, the responsibility for overseeing Adoption Support Payments transferred to the Head of Children's Looked After Service.

Management has confirmed that a review in respect of the processes and procedures was scheduled to take place and that the outcomes of this internal

audit would be used to inform potential changes.

### **AWARDING ALLOWANCE PAYMENTS**

Testing established that the written procedures were out of date and did not reflect current processes. An agreement is in place with the Vale, Valleys and Cardiff Adoption Collaborative (VVC); however, this requires some amendments and the working arrangements between the parties still require further discussions and agreement particularly relating to records management and involving the Head of Intensive Intervention earlier in the authorisation process.

### **REVIEW PROCESS**

With regards Records Management, it was not possible to evidence all appropriate documentation to support the Adoption Support Allowances awarded.

- For those older agreements, pre-dating VVC, information had been scanned onto ICS, but could not be located.
- For newer agreements, the lead contact in VVC could not provide any supporting documentation when requested and limited information had been retained centrally by RCT.

Information that had been retained was not retained consistently for all applications.

By implementing the associated recommendations contained within this report, Management will enhance the standard of control. The Head of Children's Looked After Service has requested that a follow-up audit is carried out within the next 12 months to review progress.

### **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 High	<p>It was established that a formal agreement between the Vale, Valleys and Cardiff Adoption Collaborative (VVC) and RCT Council is in place, detailing roles and responsibilities. The Agreement states that:</p> <ul style="list-style-type: none"> <li>• Each Local Authority is to pay support for the first year; and</li> <li>• A Records Management Protocol will be developed.</li> </ul> <p>During the review, it was identified that payments are ongoing, a Records Management Protocol has not been developed and a complete suite of documents for each Adoption Support payment could not be obtained.</p> <p>For long-standing agreements, prior to the arrangement with VVC, staff confirmed that information had been back-scanned onto the ICS system but in the absence of a structured document naming system they could not be found.</p> <p>For agreements made in conjunction with VVC, VVC could not produce</p>	<p>Management should consider reviewing the current partnership agreement and making any necessary amendments.</p> <p>Management should draft and agree with VVC a Records Management Protocol. The Protocol should document what documentation is required to be produced for each Adoption Support Payment and who is responsible for retaining this information and the period of retention.</p> <p>Management should then ensure that documents are retained in accordance with the protocol and should be available to support all Adoption Support payments made. Every effort should be made to locate</p>	31 <sup>st</sup> May 2019

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	any documents when requested and RCT did not have a complete set of the accompanying records.	the missing documentation.	
5.1.2 Medium	<p>There were written procedure documents in place at the time of the review, but these were found to be out of date and pre-dated VVC involvement.</p> <p>During the review, the Adoption Guidance for Social Workers was revised; however the current Adoption Financial Support Policy was written in 2010.</p> <p>The Policy refers to means-testing, which is not undertaken when calculating Adoption Support Payments. Instead, payments are calculated on the allowance granted by age, minus Child Benefit, Working Tax credits and Child Tax Credits.</p> <p>Moreover, the circumstances in which the payment can be awarded also requires revision and clarification. The award should be given on a time-limited basis for extended maternity, leave of absence from work etc., and is dependent on the need of the child.</p>	<p>Management should ensure that the revised Adoption Guidance for Social Workers is disseminated to all relevant parties.</p> <p>The revised guidance should be discussed and agreed with VVC to ensure that both parties are in accord.</p> <p>The Adoption Financial Support Policy should be revised in collaboration with the RCT Financial Accountant to ensure that the policy reflects current practice. This should be disseminated to all RCT Adoption Social Workers and VVC Social Workers, to ensure clarity and consistency of process.</p>	31 <sup>st</sup> May 2019
5.1.3 Medium	<p>A list of Adoption Support payments was provided at the outset of the audit but did not contain review dates. This was amended during the audit and a monitoring spreadsheet provided. This spreadsheet was compared to the information held by the Financial Accountant and was found to be complete; however, 2 discrepancies were identified.</p> <p>For XX - an allowance of £278.90 and £265.00 was agreed to be paid (the calculation based on child benefit deductions for first and second child) and were recorded as these amounts on the spreadsheet maintained by Business Support. However, it was identified that £278.90 was being paid for both children.</p>	<p>Management should investigate the reason for the discrepancy between the calculated amount and the payment amount.</p> <p>Management should ensure that the payment value is amended on the spreadsheet maintained by Business Support.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	For XX - an allowance of £205.92 was agreed and is being paid at that rate; however the spreadsheet maintained by Business Support had detailed the payment as £411.84 erroneously. (See finding 5.2.1 for spreadsheet anomalies / inaccuracies relating to the annual review process).		
5.1.4 Medium	It was also established that discussions need to take place with VVC regarding the authorisation process, as although the end decision rests with the Acting Head of Intensive Intervention, by the time the request is received, it may be more difficult to refuse an offer of financial support, after it has been discussed with the adopters by the VVC Social workers, throughout the lengthy process.	Management should endeavour to meet with VVC representatives to agree both a Records Management Protocol and amended processes, to include how Adoption Support Payments are agreed with potential adopters and earlier RCT involvement for authorisation purposes.	Implemented
5.2.1 High	<p>The Annual Review process is now in place to ensure that allowances are subject to regular review and to ensure that payments do not exceed their termination date without a formal agreement to extend. However testing of the process identified the following issues;</p> <ul style="list-style-type: none"> <li>• Letter sent to XX on 31st January 2018 stating annual review is due, but does not state that for one child the allowance should have expired on 22nd January 2018.</li> <li>• Letter sent to XX on 24th January 2018 stating that allowance should have stopped on 22nd May 2017 and payment will now continue until 9th February 2018. Agreement to extend letter sent on 14th March 2018, with payments continuing in the interim.</li> <li>• Letter sent to XX on 6th March 2018 stating that allowance should have stopped in December 2017, although authorisation to extend was evidenced from the Head of Service until the middle of January 2018 and will now continue until 24th March 2018. Payment was then stopped with an overpayment of over 9 weeks and £2,848.06.</li> </ul>	<p>Management should ensure that the spreadsheet is reviewed regularly and kept up-to date and that any inaccuracies identified should be corrected.</p> <p>Care should be taken that deadlines given are consistent.</p> <p>All appropriate supporting documentation should be scanned onto the system and retained on the electronic file.</p> <p>Overpayments should be reviewed by Management.</p>	31 May 2019

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> <li>Letter sent to XX on 17th January 2018 stating that payment for 2 children will end on 9th February 2018, (15 day notice) and that support for one should have ended on 1st September 2017. Agreement to extend authorised on 14<sup>th</sup> March 2018, payments continued in the interim.</li> </ul> <p>A review of allowances that had ended also identified the following;</p> <ul style="list-style-type: none"> <li>For XX, letter sent on 5th January 2017 detailing that the payment was due to stop on 31st July 2016 but will now cease on 2nd February 2017 (was overpaid £230.66 per fortnight for this period). For XX - letter sent on 5th January 2017 detailing that the payment was due to stop on 10th November 2015, but will stop on 2nd February 2017 (was overpaid £183.92 per fortnight for this period).</li> <li>Letter sent to XX on 24th January 2018 stating that support is due to end on 8th February 2018 - 14 day notice only given.</li> <li>Letter sent to XX on 24th January 2018 stating that support is due to end on 15th February 2018 - 21 day notice given.</li> </ul> <p>A request to extend was submitted by XX, form submitted on 15th June 2017, allowance due to expire on 31st October 2017 and agreement to continue not authorised until 12th January 2018, 2.5 months after allowance should have expired, payments continued in the interim.</p> <p>A review of the monitoring spreadsheet and supporting documentation also identified the following housekeeping issues;</p> <ul style="list-style-type: none"> <li>The spreadsheet had not been completed in full for the review process, information was not complete and not all fields completed appropriately detailing when letters were sent, declarations received etc.</li> <li>For the 9 cases, where an extension to the deadline had been granted this year, the email approving the extension by the</li> </ul>		

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Head of Intensive Intervention has not been retained in 5 of the 9.</p> <ul style="list-style-type: none"> <li>• One Declaration of Financial Circumstances form had not been signed by the adopter.</li> <li>• The deadline for return had been recorded incorrectly as 15th February 2018, not the 16th February 2018, as per the other letters.</li> <li>• The letter to evidence that payments will continue until the next annual review was not found for 1 child.</li> <li>• The adopter's 2 children are recorded as living in 2 different addresses erroneously</li> <li>• The authorised copy of the Declaration of Financial Circumstances Form detailing the rationale for continuing and signed by the Service Manager had not been scanned on the electronic file for 7 of the 16 completed forms.</li> </ul>		
5.2.2  Medium	<p>All Adoption Support Payments are required to be subject to a 12 month annual review.</p> <p>The adopters are required to complete a Declaration of Financial Circumstances Form with accompanying payslips, tax credits and other confirmation of receipt of benefits.</p> <ul style="list-style-type: none"> <li>• As the allowance is not means-tested, financial information is disclosed but not subject to any review.</li> <li>• Allowances relate to the needs of the child and therefore for those long-standing agreements where an allowance has been agreed till the child is 18, the adopters should only be required to declare whether there are significant change of circumstances, both in the needs of the child and their own financial circumstances.</li> <li>• Those newer allowances, where the allowance is time-limited and subject to ongoing assessment, the review form should require the adopter to declare whether there are any significant</li> </ul>	<p>Management should revise the current 12 month review process. Adopters should no longer be required to provide financial information. Instead they should be required to declare whether there are any significant changes to their finances and detail the ongoing needs of the child, which for those time-limited allowances will be used to determine whether the allowance should be extended or stopped.</p> <p>The Adoption Financial Support Policy should be revised to reflect the annual review process to be adopted.</p> <p>Management should ensure that the rationale given should reflect the check carried out i.e.</p>	30 May 2019

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	<p>changes in financial circumstances and to detail the ongoing specific needs of the child. This should then be checked back to the original Adoption Support Plan and original rationale for the allowance awarded to determine whether the allowance should be extended or stopped.</p> <p>Where the adopter has specified that circumstances have changed significantly, a decision can then be made as to what further supporting evidence is required. As the process stands currently, the information requested for the annual review is not relevant to the decision.</p> <p>Testing of the process operating currently also established that the 'Declaration of Financial Circumstances Forms had been signed off by the Service Manager, Safeguarding and Support stating that 'annual review completed, no change in circumstances.' For those children who have allowances agreed till they are 18, a change in circumstances may not necessarily have any bearing on the allowance continuing but in the absence of an Adoption Support Plan for all but 1 of the children, it was not possible to evidence whether there have been any change to the child's needs unless the parents have declared this specifically on the Declaration of Financial Circumstances Form. When challenged how no change of circumstances had been established, it was agreed that it was not possible to ascertain this, and instead the wording on previous forms had been copied. For the 1 case where an Adoption Support Plan was evidenced, the information on the Declaration of Financial Circumstances Form was not checked back to the Adoption Support Plan either.</p>	<p>'checked to Adoption Support Plan and no change of circumstances declared and identified' or in the absence of historical information, 'unable to determine if circumstances have changed but allowance agreed until 18.'" etc.</p> <p>Going forward, once the process has been revised, for all those ongoing agreements, the rationale should state 'no change of circumstances declared, agreement to pay until 18' or 'change of circumstances declared, no further information/further information requested and the outcome.' For those reviews where the time-limit is coming to an end, the rationale should state the initial reason for the allowance being granted, the circumstances under which the allowance has been extended and the new expiration date.</p>	

## CORPORATE & FRONTLINE SERVICES

### AUDIT NAME: LEGIONELLA MANAGEMENT

DATE FINAL REPORT WAS ISSUED: 31/01/2019

#### INTRODUCTION

Legionnaires Disease is a potentially fatal form of pneumonia, caused by the bacterium Legionella Pneumophila. Outbreaks can occur when people are exposed to the bacteria via inhalation of water droplets suspended in the air.

While common in natural water sources such as rivers, lakes and reservoirs, the bacteria can also be found in purpose-built environments such as cooling towers, evaporative condensers and hot water systems in work and domestic premises. Growth of the bacteria is encouraged where the temperature is maintained between 20-45°C and/or there is stored/re-circulated water.

The Corporate Estates Service are responsible for ensuring there are measures to prevent and control the risk of exposure to Legionella in all applicable buildings both owned by the Council and those leased in and out (depending on the lease agreement).

#### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for the financial year 2018-19 as agreed by Audit Committee, a review of Legionella Management was undertaken.

The specific objectives of the review were to ensure:

- There are robust controls surrounding the management of Risk Assessments (RA's) and log books.
- The RAMIS and the Technology Forge (TF) computer databases contain accurate management information.
- The 'Duty to Manage' at all leased buildings is effectively controlled.

#### AUDIT OPINION

The overall control environment in relation to the management of Legionella is considered to be effective with opportunity for improvement.

It was established that Corporate Estates Officers and appointed contractors manage Legionella; however, testing identified issues / anomalies as follows:-

##### **On Site Log Books & Risk Assessments**

The contractors visit applicable buildings / sites on a cyclical basis, typically every 2, 3 or 5 years to undertake a RA, the frequency based on risk which has been agreed by the contractors / management. It was established that 12 sites due a RA / visit in August 2018 had not been undertaken as at October 2018.

7 sites were visited, each had a Legionella Log Book which contained a RA; however these were not the most recent that had been undertaken by the contractor.

Site / building managers are not always fully undertaking / recording the periodic on site checks highlighted on the RA in their log books.



#### Information Systems

RAMIS is an online risk monitoring database used to manage Legionella and Technology Forge (TF) is a property database. Both systems are used to record Legionella information, for example, the contractor should attach a new RA to RAMIS within 30 days of undertaking a site visit.

For a sample of 8 sites it was established that 4 had been visited between 15/11/17 and 9/8/18 but a new RA had not been attached to RAMIS.

#### **Leased Buildings**

All the buildings sampled, 'leased in' or 'leased out' had a lease agreement signed by both parties. However:-

- The Council has undertaken the RA on a 'leased out' building where the lease stated the tenant was responsible.
- The Council has the 'duty to manage' a 'leased in' building but no RA undertaken.
- The 'duty to manage' was unclear on a 'leased in' building from 2/17, the Council undertook an RA 2/18.

Implementing the recommendations within this report will help improve the overall control environment in place.

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	<p>The Legionella log books held at Council sites / buildings should evidence all the Legionella tests being undertaken, for example, where applicable weekly flushing and water temperatures.</p> <p>The records maintained at 7 buildings / sites were examined, issues were noted where the records were not always complete - examples as follows:-</p> <p>School 1 There was no evidence to support weekly flushing of low water outlets taking place.</p> <p>Sports Centre 1 There was no evidence to support weekly flushing taking place since 29/5/2018.</p> <p>Sports Centre 2 The monthly Sentinel Outlet monitoring record and the weekly flushing record were last completed 5/10/2015.</p>	<p>Management should remind all site / building managers that the records to support all Legionella checks must be completed and retained in the site log book.</p>	Implemented
5.1.2 Medium	<p>Risk Assessments (RA's) should be undertaken on a periodic basis at Council sites / buildings, where they are applicable.</p> <p>When the RA has been undertaken, a copy of the report should be provided to the site / building manager for information and placed on the Legionella log book.</p> <p>The log books at 7 sites were examined and it was established that the most recent RA undertaken was not present.</p>	<p>Management should ensure that all site / building managers promptly receive the RA after a visit has been undertaken.</p> <p>Management should undertake an exercise to ensure that all sites / buildings have been provided with a current RA.</p> <p>Management should ensure that all site /</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		building managers comply with the recommendations highlighted in the RA.	
5.1.3 Low	<p>All sites / buildings should receive a RA on a periodic basis, for example, every 2, 3 or 5 years.</p> <p>The schedule of visits has been shared with the contractor for them to undertake the visits.</p> <p>It was established that RA's had not been completed at 12 sites / buildings which should have been completed in August 2018.</p>	Management should ensure that all RA's are being undertaken by contractors when they are due.	Implemented
5.2.1 Medium	<p>The RAMIS system is an on-line risk monitoring database used by Corporate Estates.</p> <p>The RAMIS system should be updated with new RA's by the contractor Hertel from April 2018 (prior to this Nemco were responsible) after they have completed their periodic visit.</p> <p>For a sample of 8 sites / buildings it was noted that the most recent RA's undertaken were not attached to RAMIS at 4 sites.</p>	<p>All RA's should be promptly updated onto RAMIS after site visits have been undertaken.</p> <p>Management should ensure that all RA's are attached to RAMIS by the contractor, examined and actioned as appropriate.</p>	Implemented
5.3.1 Medium	<p>As Legionella is a statutory requirement, the lease for all buildings leased in or out should reflect which party, Landlord or tenant has the "Duty to Manage" the statutory checks and monitoring.</p> <p>A sample of 10 leases were selected (4 buildings leased in and 6 buildings leased out) - the following was identified;-</p> <p><u>Leased out Buildings</u></p>	<p>Management should ensure that all buildings / sites are managed in line with each lease agreement.</p> <p>Where necessary Management should consider changing the lease or an alternative method to accurately reflect who is</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Visitor Centre - Dare Valley Country Park - The lease agreement states the tenant has the 'Duty to Manage' but the Council has accepted responsibility as they are responsible for all other areas on the site.</p> <p><u>Leased in Buildings</u> Library 1 - The lease agreement states that the tenant (the Council) has the 'Duty to Manage'. Since the lease commenced 23/11/2017 no RA has been undertaken.</p> <p>Green Park Estates - The lease commenced 12/2/2017; however it is not clear which party has the 'Duty to Manage'. The Council carried out an RA 22/2/2018.</p>	<p>responsible for managing Legionella on the site.</p>	