

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
MUNICIPAL YEAR 2017/18

COMMITTEE:

AUDIT COMMITTEE

30th April 2018

Item No. 9
Finalised Audit Assignments

REPORT OF:-

GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

Author: Marc Crumbie (Head of Internal Audit & Procurement Development Programmes)
(01443) 680779

1. PURPOSE OF THE REPORT

This report provides Members with a summary of audit assignments completed between 2nd February 2018 and 17th April 2018.

2. RECOMMENDATIONS

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

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

3. AUDIT COMMITTEE TERMS OF REFERENCE

- 3.1 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*'.
- 3.2 In line with this requirement Appendix 1 provides a summary of the audit assignments completed between 2nd February 2018 and 17th April 2018. Members will note that the summary provides for each assignment: the Introduction, Scope & Objectives, Auditor's stated opinion along with a summary of all recommendations made for each audit review completed to final report stage within the stated period.

3.3 To help ensure Audit Committee effectively discharges the responsibility as set out in its Terms of Reference (and replicated at point 3.1 above), Members may wish to consider the principles noted below in addition to their own lines of enquiry:

- Is the overall conclusion made by Internal Audit for each audit assignment reasonable / backed up by the findings reported?
- Are the recommendations made by Internal Audit likely to support the necessary improvement in internal control?

3.4 Members will note that 4 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

<u>Audit Assignment</u>	<u>Overall Conclusion</u>
ADDITIONAL NEEDS FUNDING	Effective
SAFEGUARDING ARRANGEMENTS IN SCHOOLS (THEMATIC REVIEW)	Effective with opportunity for improvement
ST JOHN BAPTIST CIW HIGH SCHOOL	Effective with opportunity for improvement
YNYSBOETH PRIMARY	Effective with opportunity for improvement

4. SUMMARY

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

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

LOCAL GOVERNMENT ACT, 1972
as amended by
THE ACCESS TO INFORMATION ACT, 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
LIST OF BACKGROUND PAPERS
AUDIT COMMITTEE
30th April 2018

Report of the Group Director, Corporate & Frontline Services

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

Item

9. Finalised Audit Assignments

Contact Officer: Marc Crumbie
Head of Internal Audit & Procurement Development
Programmes
Bronwydd House
Porth
CF39 9DL
Tel. No. (01443) 680779

APPENDIX 1 – FINALISED AUDIT ASSIGNMENTS

EDUCATION & LIFELONG LEARNING
AUDIT NAME: ADDITIONAL NEEDS FUNDING
DATE FINAL REPORT WAS ISSUED: 15/03/2018
<p>INTRODUCTION</p> <p>All pupils are allocated funding to meet their educational needs. In addition to this 'core funding', schools are allocated additional funding based upon local factors that may affect educational provision. Two examples of this additional funding could relate to the specific demographic make up of the local area and those children with special education needs.</p> <p>Those children with special educational needs will usually be provided with additional support in their mainstream education setting, sometimes with the help of outside specialists.</p> <p>Some children with such needs may need extra help in a range of areas, for example: school work, reading, writing, number work or understanding information, expressing themselves or understanding what others are saying, making friends or relating to adults, behaving properly in school and organising themselves.</p> <p>The Special Educational Needs Code of Practice for Wales 2002 stipulates the need for schools to provide support that is 'additional to' and 'different' to what is made available for the majority of peers at Early Years Action Plus (EYA+) and School Action Plus (SA+). Additional Needs Funding (ANF) is intended to enhance school based provision for learners with severe and persistent needs.</p> <p>ANF is broken down into two funding streams:</p> <ul style="list-style-type: none"> • Pupils with a statement - a formal document detailing a child's learning difficulties and the help that will be given; schools receive funding based on the number of hours each child receives. • Pupils without a statement - children identified by their school as requiring additional support; the schools are required to use funding which is calculated on a number of measures such as the number of free school meal pupils and the number of pupils on School Action Plus.
<p>SCOPE & OBJECTIVES</p> <p>The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the controls surrounding the Special Support Assistance grant. The specific objective of the review was to ensure that:</p> <ul style="list-style-type: none"> • The funding allocated to schools has been accurately calculated and allocated to the appropriate pupils
<p>AUDIT OPINION</p> <p>Overall the control environment relating to the service is considered to be effective.</p>

The Calculation and use of Additional Needs Funding allocated to Schools

All schools receive in their formula funding an allocation of money for Additional Needs Funding. This amount is based on a formula for pupils with or without a Statement.

Examination of the funding to a sample of schools for pupils with a statement identified that:

- Pupils with a statement are receiving the hours on their statement.
- One school had received additional funding of £1,187.19 from April 2017 for a pupil who didn't start at the school until September 2017.
- One school had received additional funding for a pupil of £2,457.65 for the incorrect number of statemented hours between April and October 2017.

It was established that all Comprehensive and Primary Schools had received the correct level of funding for pupils without a statement in their formula funding allocation; however 2 primary schools had not yet provided information to management on how the funding had been allocated.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Low	At the start of each financial year, schools should receive funding for their statemented children. Examination of a sample of schools established that one had received additional funding in April 2017 of £1,187.19 for a pupil not due to start until September. When the child started in September the funding was paid again. Note - The error was rectified during the audit visit.	Care should be taken to ensure that the funding for all statemented pupils is correctly allocated to each school at the start and throughout each financial year.	Implemented.
5.1.2 Low	A sample of 15 pupils from different schools was selected to ensure that each school had received the correct level of funding for each pupil, based on the number of hours of support recorded on their statements. An issue was noted with one pupil in the sample tested. In 2016/17 the School had correctly received funding for 10 hours per week (as per the statement); however the School incorrectly received funding for 20 hours between the 1/4/17 and 11/10/17, as there was no change in the statement. Note - The error was rectified during the audit visit.	Care should be taken to ensure that the statemented hours each child receives is correctly transferred over each financial year to ensure the correct level of funding is allocated.	Implemented.

AUDIT NAME: SAFEGUARDING ARRANGEMENTS IN SCHOOLS (THEMATIC REVIEW)

DATE FINAL REPORT WAS ISSUED: 16/02/2018

INTRODUCTION

Section 175 of the Education Act 2002 requires local authorities and governing bodies to have arrangements for exercising their functions with a view to safeguarding and promoting the welfare of children.

In Safeguarding Children: Working Together Under the Children Act 2004, safeguarding is defined as:

- Protecting children from abuse and neglect;
- Preventing impairment of their health and development; and
- Ensuring that they receive safe and effective care...so as to enable them to have optimum life chances.

SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2017/18, agreed by Audit Committee, a thematic review of the safeguarding arrangements across a sample of schools was undertaken.

The primary purpose of the review was to provide Management with an opinion on the adequacy and effectiveness of the internal control environment in relation to safeguarding at schools. The specific objectives were:

- To ensure that all staff, volunteers and Governors have received the appropriate Safeguarding training;
- To ensure that all staff and volunteers received the required DBS checks prior to commencing in post; and
- To ensure that there is a Child Protection Policy in place, which has been agreed by the Governing Body and is being adhered to.

AUDIT OPINION

The overall control environment in relation to safeguarding arrangements in schools is considered to be effective with opportunity for improvement.

The Council has well established arrangements in place whereby guidance and support is provided to schools in respect of communicating changes to required practices and also reminder correspondence being issued when required.

Internal Audit undertake routine audits of safeguarding at each school it visits, the overall conclusions are summarised as follows:

- All schools have Child Protection Policies in place although these policies are not always reviewed and ratified by respective Governing Bodies as required.
- All staff working in schools received the required pre-employment checks prior to commencing in post; however the lists of staff held at schools are not always up to date.
- Safeguarding training requires improvement, as training is not always renewed in line with expiry dates nor is appropriate evidence always retained.

- Not all Schools are aware of the requirement to have at least three designated members of staff responsible for safeguarding.
- Clarity is required from the Council in respect of the expectation that it places on schools when they engage supply teachers from agencies.

An instance of exemplar practice was also noted at one school visited during this review whereby all expected practices were in place and up-to-date, and the school clearly identified the names, pictures and contact details of the designated members of staff in the reception area. This instance has been shared with the temporary Director, Education & Lifelong Learning.

Implementing the recommendations in the report will further improve the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p><u>Child Protection Policies</u></p> <ul style="list-style-type: none"> • Policies are not always reviewed annually and presented to a school's respective Governing Body for ratification. • Not all child protection policies are signed by each designated member of staff and / or the governor designated with responsibility for safeguarding. <p><u>Designated Members of Staff</u></p> <p>Not all schools have identified 3 designated members of staff as required.</p>	<p>The temporary Director of Education & Lifelong Learning should remind all schools that:</p> <ul style="list-style-type: none"> • Child Protection policies are required to be reviewed and ratified by governing bodies annually. • The Child Protection Policy should be signed and dated by each designated officer. • Schools are required to identify at least 3 designated members of staff responsible for safeguarding and a responsible governor. 	Implemented.
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:</p> <p><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>The temporary Director of Education & Lifelong Learning should remind all schools that:</p> <ul style="list-style-type: none"> • The Designated Senior Person should ensure that all members of staff sign to demonstrate that they 	Implemented.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	Not all Schools could provide evidence that their staff had received, read and understood the Child Protection Policy.	<p>have received, read and understood the most recent Child Protection Policy.</p> <ul style="list-style-type: none"> Management should devise a standard proforma to record this and issue to all schools for consistency. 	
5.1.3 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>Each member of staff at a school, including support staff, casual staff, cleaners and caretakers should receive Level 1 safeguarding training. This training should be renewed and delivered by the Council every 3 years.</p> <p>There should be at least 3 members of staff (usually the 3 members of staff designated with responsibility for safeguarding) trained to Level 3. This training should be renewed every 2 years.</p> <p>The designated governor should attend the bespoke training delivered by the Council's Safeguarding Coordinator.</p> <p>Testing identified that there is a lack of evidence at schools to</p>	<p>The temporary Director of Education & Lifelong Learning should remind all schools that:</p> <ul style="list-style-type: none"> Schools should ensure that all members of staff receive the necessary training and that appropriate evidence is retained at the school as confirmation i.e. attendance registers, Level 3 certificates, central training record. Safeguarding training should be renewed timely i.e. every 3 years for Level 1 and every 2 years for Level 3. Where new members of staff commence at the school in- between scheduled training, the Senior Designated Person should ensure that they receive safeguarding training immediately and that the evidence is retained. Safeguarding training in schools 	Implemented.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>demonstrate that staff and governors have received the appropriate training. Additionally, training is not always renewed in a timely manner.</p> <p>Whilst the Safeguarding / Child Protection Co-ordinator (Education) has a record of training undertaken for each school, this is only reviewed annually and schools are only reminded to book further training once it has been identified that their training has expired.</p>	<p>should be centrally monitored on a regular basis e.g. monthly. In addition to this, schools should be reminded to renew their training prior to the date of expiry.</p>	
5.1.4 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: <i>'Governing bodies should.....operate safe recruitment procedures that take account of the need to safeguard children and young people, including arrangements to ensure that all appropriate checks are carried out on new staff and unsupervised volunteers who will work with children, including relevant DBS checks.'</i></p> <p>Whilst each School had a DBS record, not all were up-to-date.</p>	<p>The temporary Director of Education & Lifelong Learning should remind all schools that:</p> <ul style="list-style-type: none"> All DBS records should be kept up-to-date to ensure that they reflect the current staffing position at all times. 	Implemented.
5.1.5 High	<p>Points 6.30 and 6.32 of the Keeping Learners Safe Guide state the following in relation to supply teachers: <i>'Where supply teachers are employed by an agency, schools must require (through the contract or other arrangements which it makes with the supply agency) the supply agency to provide written notification to confirm:</i></p> <ul style="list-style-type: none"> <i>that relevant disclosures have been requested from that individual</i> <i>whether or not the disclosure has been received</i> 	<p>In consultation with schools, the temporary Director of Education & Lifelong Learning should establish what level of detail schools are required to request and retain in respect of supply teachers' and tutors' DBS information. Following consideration of this matter, a clear instruction should be issued to all schools setting out the expected requirements.</p>	Implemented.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> • <i>if received, whether it included any disclosed information'.</i> <p><i>'Schools may ask supply teachers to produce their copy of the enhanced disclosure to provide assurance that the check has been made, and may ask agencies to confirm the validity of the document. Schools and FE colleges must record whether those checks have been carried out on the single central record'.</i></p> <p>Schools have not been provided clear guidance from the Council in respect of the level of detail that they are required to retain in respect of Supply Teachers. Testing identified that the level of detail currently retained (if any) is inconsistent.</p> <p>The same was also noted in respect of tutors who attend schools. In addition to this, schools are not always establishing the employment status of sole traders and/or limited companies employed to deliver services (HMRC - IR35 requirements).</p>	<p>Schools should also ensure that the appropriate IR35 checks are completed for all tutors.</p>	

AUDIT NAME: ST JOHN BAPTIST CIW HIGH SCHOOL

DATE FINAL REPORT WAS ISSUED: 21/03/2018

INTRODUCTION

St John Baptist Church in Wales High School is an 11 to 18 mixed English medium school in Aberdare. The School serves a wide catchment area, covering the Northern part of the Diocese of Llandaff which includes Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly and Neath Port Talbot. There are currently 992 pupils on roll including 191 pupils in the sixth form.

The proportion of pupils eligible for a free school meal currently stands at 11.63% which is below the national average of 17.4%.

The total budget for the School for the current financial year is in excess of £4m.

SCOPE & OBJECTIVES

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

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

- Governance;
- Safeguarding;
- School Income;
- School Private Fund; and
- Purchase Card.

AUDIT OPINION

The overall control environment in relation to the School's financial systems and governance arrangements is considered to be effective with opportunity for improvement.

Governance

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. All minutes examined had been appropriately signed; however Governing Body attendance sheets are currently not maintained in respect of sub-committee meetings. The requisite number of Governing Body members has been appointed and is in line with the current Regulations for a Faith School, in that the number of Foundation Governors outweighs the number of all other Governors by 3.

All statutory policies and recommended documents are in place at the School and the financial limits for delegated authority have been agreed and minuted. Staff involved in the financial decision making process have these responsibilities noted in their job descriptions and regular budgetary information from SIMS is provided to the Governing Body. A Register of Business Interests is in place at the School with all current declarations present at the time of audit.

Safeguarding

Good practice is noted in that the School has established relevant Safeguarding and Child Protection Policies which are provided annually to staff. A record

was in place to demonstrate that each member of staff has received and read this Policy and is retained in the Safeguarding file. A record is held at the School of staff who have been DBS checked and audit testing confirmed that no staff commenced employment at the School prior to the completion of the required pre-employment checks.

Level 1 training was provided to the whole School on 5th September 2017 with a subsequent session arranged for those absent. While a training record is maintained, this does not allow for the dates of training to be recorded - this detail should be added to the record to demonstrate the dates of attendance. The School use the EVOLVE system to record details of residential /adventurous trips and all trips examined were entered within the appropriate timescales.

School Private Fund

The School Private Fund account is subject to reconciliation by the Treasurer and a copy of the most recent bank mandate is held on file. It is recommended that an independent person such as the Finance Manager countersigns these to provide added assurance that the transactions have been subject to independent review.

The School has standardised the process and records to be used for administering trips; these were found to be of a good standard and accurately completed for each of the trips examined, with a clear audit trail for the handover of cash to the Fund.

Good practice was also noted in the retention of supporting documentation to support trip expenditure, including cash floats. It is however recommended that all unreceipted expenditure documented by the School on the PF2 Form is supported with two signatures as evidence of the amounts involved. It was noted that for the current academic year there have been instances of fund expenditure that would have been more appropriately processed via the School Budget Account. In the case of staff social monies, alternative arrangements should be made for the processing of such transactions (independent to the School's financial systems).

School Income

Income due to the School is receipted, held securely, banked intact and correctly recorded in SIMS. Staff responsible for identifying, receipting and recording income due to the School have been clearly defined and all are aware of their duties. A segregation of duties should however be put in place in respect of raising invoices and the subsequent receipt of income, plus the bank reconciliation process should be undertaken by someone completely independent for transparency.

There is one complete central record of all income received at the School and income is held in a secure place, with limited access and not mixed with any other money. This report recommends that a receipt is obtained from the secure collection provider for each category of income collected (Budget or Catering Income) for retention within the School records.

Debtor invoices are currently not authorised by a senior member of staff prior to issue and there is no procedure in place for 'chasing up' amounts outstanding in respect of unpaid invoices, albeit only £314.00 was outstanding at the time of testing.

Purchase Card

There are 4 Purchase Cards in use at the School and a sufficient audit trail is in place in respect of receipts to support expenditure. While transaction logs are maintained in respect of 2 cards operated by the Office staff, for the 2 Departmental cards no transaction logs were available. This report recommends that a transaction log be maintained for each card.

The implementation of the recommendations made within this report will enable the Headteacher to further enhance the internal control environment.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Medium	<p>Section 43(d) The Government of Maintained Schools (Wales) Regulations 2005 states: <i>'The Clerk to the Governing Body must maintain a register of governors' attendance at meetings'.</i></p> <p>Currently, attendance sheets are not maintained in respect of any sub-committee meetings held.</p>	The Clerk to the Governing Body should ensure that attendance sheets for all Governing Body and Sub-Committee meetings are completed and held at the School in a manner that makes them accessible.	Implemented
5.2.1 Low	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies should...ensure that the Headteacher and all 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 School undertook Level 1 safeguarding training on 5th September 2017 and a certificate was present at the School to confirm this. 31 members of staff were not in attendance at the initial training but the School made arrangements for subsequent training to be delivered.</p> <p>The training record currently maintained at the School does not allow for the dates of training to be recorded.</p>	The School should enhance the central training record to record the date and level of attainment alongside individual staff names.	Implemented
5.3.1 Medium	One member of staff is currently responsible for raising all invoices, updating SIMS and matching income upon receipt. These arrangements do not allow for an appropriate segregation of duties.	It should be ensured that an appropriate segregation of duties is put in place in respect of raising invoices, updating SIMS and receipting income - both physically	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	It was also identified that the Finance Manager is responsible for updating SIMS in respect of all income received by bank transfer; however this officer is also responsible for the bank reconciliation process.	received and via bank transfer. The bank reconciliation process should also be carried out by someone independent of the process to ensure transparency.	
5.3.2 Medium	During the sample period examined, the following delays were noted between the receipt of income (as notified by Bank Transfer Letter) and its subsequent update onto SIMS: April VAT reimbursement - £3,256.02 Letter dated 08.05.17 SIMS updated 19.06.07 May VAT reimbursement - £1,804.06 Letter dated 18.05.17 SIMS updated 07.09.17 October VAT reimbursement - £6,228.41 Letter dated 28.10.17 SIMS updated 18.12.17	Details of income received should be updated to SIMS on a regular basis (i.e. when income is received or notification of BACS payment has been received).	Implemented
5.3.3 Low	School budget income is collected by a secure collection provider who also collects dinner money income. The provider currently provides 1 receipt in respect of all collections received (with the various bag numbers recorded); however as these are retained by the Catering staff for their records there is no evidence available in the School's office of the secure collection.	To ensure that the School has a record of all income collected by the secure collection provider, a receipt should be requested for each category of income i.e. school budget, dinner money etc. If this is not feasible, then the original copy should be photocopied. The Finance Officer can then highlight the bag numbers relating specifically to the school	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	It was also noted that a formal record of the bag numbers is not retained at the School.	budget to confirm the amounts collected for banking. These numbers should also be recorded on the bank paying-in-book for completeness.	
5.3.4 Medium	While SIMS is used to generate debtor invoices these are currently not authorised by a senior member of staff prior to issue. An authorised copy is also not retained at the School.	All SIMS invoices should be signed by a senior member of staff prior to issue and an authorised copy retained at the School.	Implemented
5.3.5 Low	<p>Examination of the Aged Debtor report from SIMS revealed that there are currently 2 outstanding invoices in excess of 30 days old:</p> <ul style="list-style-type: none"> • Invoice 000014 £170.00 Education Workforce Council (91+days); and • Invoice 000016 £144.00 Creative Literacy Stars (31-60 days). <p>Discussion at the School revealed that there is no procedure in place for 'chasing up' amounts outstanding in respect of unpaid invoices.</p>	<p>The School should determine and document a procedure to be followed where amounts due remain outstanding after the payment period has elapsed.</p> <p>The debtors identified should be contacted in respect of the outstanding amounts.</p>	Implemented
5.4.1 Medium	<p>Examination of the School Private Fund expenditure for the current academic year identified the following items of expenditure that would have been more appropriately processed through the budget account:</p> <ul style="list-style-type: none"> • 01.09.17 100150 £72.00 - UCAS Application - income initially received from parents and processed via the Fund; • 07.09.17 100158 £116.65 - Ink Slingers - Purchase of School Books for English Department - income from sales repaid to the Fund; • 11.09.17 100160 £1019.14 - U Design - Purchase of School Uniform - income from sales repaid to the Fund; <p>Remark refunds to Parents :</p>	<p>The items listed would be more appropriately administered from the school budget account in future.</p> <p>In respect of staff social monies these should be maintained separately to the School Private Fund and alternative arrangements made for the future processing of such transactions.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> • 06.09.17 100155 £72.00; • 14.09.17 100161 £36.00; • 19.09.17 100167 £36.00; • 27.09.17 100171 £72.00; • 27.09.17 100172 £72.00; • 27.09.17 100173 £36.00; and • 27.09.17 100174 £36.00. <p>(Note - Parents requesting a remark are required to pay and where the remark results in a higher grade the cost is reimbursed, with both income and expenditure processed via the Fund).</p> <p>It was also noted that the Fund had been used to process income and expenditure transactions in respect of a staff function. While it is accepted that no cost was borne by the Fund (there is currently a surplus of £17.70 on the account) transactions of this nature are not considered appropriate to process via the Fund.</p>		
5.4.2 Medium	<p>Bank statements are reconciled to the ledger upon receipt by the Fund Treasurer, with clear and appropriate evidence of the reconciliation process being present at the School.</p> <p>It was however noted that as the Fund Treasurer is responsible for all aspects of Fund administration, the reconciliation process does not allow for a sufficiently independent review.</p>	An independent person, such as the Finance Manager, should countersign the bank statements to provide an added assurance that the transactions have been subject to independent review.	Implemented
5.4.3 Medium	The records relating to 4 school trips were examined and found to be administered well with an adequate trail for all income and expenditure transactions. A standard trip pack has been devised by the Finance	Care should be taken to ensure that all items of expenditure are supported with a receipt or invoice. In the event that a receipt cannot be	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Manager and issued to all staff with standard proformas for use.</p> <p>Each of the 4 trips had used a cash float and provided the Treasurer with a detailed breakdown of transactions and receipts to verify the amount spent. It was however noted that for 2 of the trips examined, while a Record of Expenditure Without Receipt Form had been prepared and submitted, this had not been signed:</p> <ul style="list-style-type: none"> • Sicily 2017 £163.66 • Paris 2017 £252.70 	obtained, the Record of Expenditure Without Receipt Form should be signed by two members of staff, as verification of the spend.	
5.4.4 Low	<p>All trips examined were found to contain an adequate audit trail of income received and passed to the Treasurer for banking. It was however noted that a variety of ways are used by trip organisers to evidence in their records the handover of cash to the Office i.e. on some occasions the Record of Daily Income form is endorsed with the receipt number and the receipt also retained, sometimes either the Record of Daily Income form is updated or the receipt retained, and sometimes neither.</p> <p>It is however accepted that income in respect of some of these trips may have been received before the introduction of the standard trip pack at the School.</p>	For consistency, all trip organisers should use the same approach and update the Record of Daily Income form with the receipt number (for which there is already provision on the form). The carbon copy receipt should also be attached to this record and retained by the School.	Implemented
5.5.1 Medium	<p>Section 6 of the Cardholder Manual for Schools issued by the Procurement Services states that:</p> <p><i>'Each Purchasing Card transaction should be recorded on the transaction log as soon as the transaction is complete to ensure that no information is omitted'.</i></p> <p>The School currently has 4 purchase cards. While transaction logs are</p>	Transaction logs should be introduced for each of the 4 Purchase Cards held at the School. All transactions should be promptly updated onto the logs as and when they occur and reconciled to the bank statements upon receipt.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	maintained in respect of the 2 cards used by the Office staff, no transaction logs are currently completed in respect of the 2 Departmental cards. It is however accepted that all expenditure is reconciled directly to the supporting receipts and Bank Statements by the School Bursar as part of the reconciliation process.		
5.5.2 Low	<p>Bank statements are reconciled upon receipt with each transaction agreed to the transaction log and the bank statements signed and dated as evidence of this process. The SIMS ledger code is also written alongside each entry on the bank statement.</p> <p>It was however noted that while the transaction log has provision for details of the SIMS journal to be recorded, this is currently not completed.</p>	For completeness, the transaction log should be completed to indicate details of the SIMS journal when a reconciliation is undertaken.	Implemented

AUDIT NAME: YNYSBOETH PRIMARY

DATE FINAL REPORT WAS ISSUED: 16/02/2018

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-assessment against expected controls.

Ynysboeth Primary School was last subject to an Internal Audit Review in January 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 non-chequebook primary schools comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards using transactions processed during financial year 2017/18.

The objectives of the review were:

- To review the Governance arrangements at 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 2016 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 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 1998.

AUDIT OPINION

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

Safeguarding and Educational Visits

The School has a Safeguarding and Child Protection Policy which is reviewed annually, although staff at the School have not signed to confirm that they

have read and understood the Policy.

Testing identified that all staff received the appropriate clearances before commencing duties in their posts. However, while the Headteacher has indicated that the School ensures that supply agency staff have been DBS checked, no records are retained at the School to confirm this.

Details of child protection training undertaken by staff is maintained on a training record held at the School; however, a review of this record revealed that 3 members of staff have not received the relevant refresher training. This report recommends that the three members of staff receive safeguarding and child protection training as soon as possible.

The School make use of the EVOLVE system to record details of all off-site visits. This review has established that staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits' and all trips examined were appropriately recorded in accordance with the recommended timescales.

Governance

The roles and responsibilities of the Governing Body and its sub-committees have been set out in writing and membership is reviewed and agreed annually. All Governing Body minutes examined were appropriately signed by the Chair of Governors and a Register of Business Interests is in place at the School and is updated annually.

It was identified that attendance sheets for sub-committee meetings are currently not available at the School.

There is 1 governor vacancy at present.

Whilst all statutory policies and documents were in place, some had not been presented to the full Governing Body for ratification. This report recommends that when policies and documents are reviewed, they are clearly detailed in the Governing Body minutes for transparency.

School Private Fund

An appropriate Management Committee has been established and the Annual Certificate and Audited Accounts were submitted to Education Finance by the required date.

Arrangements should be made to change the School details with the bank, as the Bank Statements are currently addressed to Ynysboeth Infants School, at the old address. At the same time the School should update the bank mandate and appoint additional cheque signatories for the account (at the time of audit visit there was only 1 person at the School able to sign cheques as the other cheque signatory is a governor who is not based at the School).

A Record of Daily Income form is not used to record all income received on a daily basis. Trip income is currently recorded on class records then updated directly to the Ledger and other income is recorded directly into the Ledger. The format of the Ledger currently used should be revised to ensure that all expenditure transactions are clearly recorded against any income received for the same period, in accordance with the School Private Fund Regulations.

This report also recommends that in accordance with the School Private Regulations, care should be taken to ensure that all items of expenditure be supported by a relevant receipt / invoice / voucher as proof of payment. For the sample period tested, there were 4 items of unreceipted expenditure amounting to £1,985.77.

Purchase Card / Purchasing

There was a sufficient audit trail in respect of evidence being available that supports the expenditure; however, the transaction log is being completed in pencil. This report recommends that as the transaction log is a prime financial document, the entries should be recorded in ink.

Whilst most purchases are made using the Purchase Card, the School still places orders with some companies who will not accept the card. Where these

instances occur, orders are raised using the SIMS system. However, from a sample of 5 completed orders examined, 4 orders were raised on SIMS after the receipt of goods and corresponding invoice. The School is therefore unable to demonstrate that the Headteacher gave prior approval before placing each order.

Collections & Deposits

Dinner money is updated to SIMS on a regular basis 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.

Equipment & Data Security

The School is registered with the Information Commissioner and a valid copy of the registration is held at the School. Information held on the system is backed up daily.

This report recommends that all items of ICT equipment be marked up as property of the School.

Implementing the recommendations contained within this report will provide the School and the recently appointed Headteacher with the opportunity to further enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 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> At the time of the Audit visit, there was no evidence that the staff had received, read and understood the Child Protection Policy.	The Designated Senior Person should ensure that all members of staff sign to demonstrate that they have received, read and understood the most recent Child Protection Policy. A register could be introduced to facilitate this requirement.	30 April 2018
5.1.2 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'</i>	As a minimum, Level 1 safeguarding training should be arranged for the 3 members of staff as soon as possible. A central record of training undertaken should be introduced to demonstrate the level of attainment alongside individual staff	Implemented

	<p><i>by refresher training'.</i></p> <p>The whole School received level 1 safeguarding training on 17th January 2017 and a Certificate was available at the School to demonstrate this.</p> <p>An attendance sheet for the training event was also present and was compared to the staff list. There are 3 members of staff currently at the School who did not undertake that training, 2 of which did not commence employment at the School until after the training was undertaken.</p>	<p>names and the date that the training took place.</p> <p>This will allow any gaps in training (i.e. new starters or any need for refresher / updated training) to be identified.</p>	
<p>5.1.3</p> <p>High</p>	<p>Points 6.30 and 6.32 of the Keeping Learners Safe Guide state the following in relation to supply teachers:</p> <p><i>'Where supply teachers are employed by an agency, schools must require (through the contract or other arrangements which it makes with the supply agency) the supply agency to provide written notification to confirm:</i></p> <ul style="list-style-type: none"> <i>•that relevant disclosures have been requested from that individual</i> <i>•whether or not the disclosure has been received</i> <i>•if received, whether it included any disclosed information.</i> <p><i>Schools may ask supply teachers to produce their copy of the enhanced disclosure to provide assurance that the check has been made, and may ask agencies to confirm the validity of the document. Schools and FE colleges must record whether those checks have been carried out on the single central record'.</i></p> <p>Discussions at the School identified that where supply teachers are employed by an agency, details are obtained beforehand and a check is undertaken to ensure that the same person arrives at school, (by name and photo provided). A formal record is however not retained at the School.</p>	<p>The Headteacher should ensure that the School maintains an up to date list / record of all staff that work at the School both permanently and temporarily i.e. supply teachers, student teachers, volunteers etc. This should detail their names, DBS reference number and the date of check.</p>	<p>Implemented</p>

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, which specifies that the composition of the Governing Body should consist of 6 Parent Governors and 5 LEA Governors.</p> <p>Examination of the Governing Body structure revealed that there is currently 1 LEA governor vacancy, despite making attempts to fill the vacancy.</p>	The School should continue with their efforts in respect of filling the governor vacancy.	Implemented
5.2.2 Medium	Of the 3 years of Governing Body minutes examined, governor attendance sheets for all sub-committee meetings were not available at the School.	Attendance sheets for all Governing Body sub-committee meetings must be retained at School and held in a manner that makes them accessible.	Implemented
5.2.3 Medium	<p>All statutory policies and documents are in place at the School and all demonstrate a regular review.</p> <p>Whilst all policies and documents are endorsed with the date of the last review and have been signed by the Chair of Governors, for some it was not evident within the Governing Body minutes that they had been presented to the Governing Body.</p>	Following the rolling programme of review, all policies and documents should be presented to the Governing Body for review and ratification (and this should be minuted).	Implemented
5.3.1 Medium	The School Private Fund Bank Statements are addressed to Ynysboeth Infants School, at the previous address.	The School should contact the Bank and request that all statements are addressed to the Primary School at the School's full postal address.	Implemented
5.3.2 Medium	There are only 2 cheque signatories in respect of the School Private Fund, one of which is a Governor, who is not based at the School.	<p>A panel of at least three cheque signatories should be appointed.</p> <p>Once the panel of signatories has been updated, a copy of the bank mandate should be retained at the School for reference purposes.</p>	Implemented

5.3.3 Medium	<p>The entries in the School Private Fund Ledger in respect of income / expenditure should allow for prompt reconciliation within each financial period. The ledger currently in use, which is an excel spreadsheet, does not follow this format. At present income and expenditure transactions are recorded on separate work sheets and no running balance with the bank account is maintained.</p>	<p>All expenditure transactions should be clearly recorded against any income received for the same period.</p> <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.</p>	Implemented
5.3.4 Medium	<p>Further to 5.3.3, Appendix 2 (point 1.2) of the School Private Fund Regulations provides guidance on how to maintain an electronic Ledger.</p> <p>Not all of the conditions outlined in the Regulations are being met i.e. it is not printed monthly for reconciliation purposes and a copy is not retained at the School.</p>	<p>It should be ensured that the electronic ledger be printed monthly for reconciliation purposes, in line with Appendix 2 (point 1.2) of the School Private Fund Regulations.</p>	Implemented
5.3.5 Medium	<p>A Record of Daily Income form is not in place at the School.</p> <p>Income received in respect of trips is initially recorded on the class records then updated directly to the School Private Fund Ledger. Income received which is not pupil related, such as donations, is also recorded in the Ledger.</p>	<p>A Record of Daily Income form should be introduced immediately.</p> <p>This should be ruled off and totalled when a banking is made and the details updated to the Private Fund Ledger in a summary format.</p>	Implemented
5.3.6 High	<p>A review of the School Private Fund expenditure for the period September 2016 to November 2017 identified 4 payments whereby cheques had been issued and no receipt was present to support the expenditure:</p> <ul style="list-style-type: none"> • 101195 - £1,640.77 return of PTA money; • 101198 - £210.00 return of PTA money; • 101201 - £35.00 Fee paid to music service for entry to concert; 	<p>In accordance with the School Private Regulations, care should be taken to ensure that all items of expenditure be supported by a relevant receipt / invoice / voucher as proof of payment.</p> <p>Whilst the form presently in use is</p>	Implemented

	<p>and</p> <ul style="list-style-type: none"> 101208 - £100.00 Coach Hire to concert. <p>Although on each occasion a "School Fund Items without receipt" form had been completed with full details of the expenditure incurred, on each occasion, the forms had not been signed by any member of staff to demonstrate that the expenditure is correct and had been made in accordance with the School Private Fund Regulations.</p>	<p>acceptable, care should be taken to ensure that full details of un-receipted expenditure are recorded and this is appropriately signed by 2 members of staff.</p>	
<p>5.4.1</p> <p>Medium</p>	<p>Although the transaction log was up-to-date with details of all recent purchase card purchases, the log is being completed in pencil.</p>	<p>The transaction log is a prime financial document and as such the entries should be recorded in ink.</p>	<p>Implemented</p>
<p>5.4.2</p> <p>Medium</p>	<p>Discussions at the School identified that in respect of purchases made using Amazon, typically no appropriate VAT receipt is obtained although VAT is reclaimed.</p>	<p>Every effort should be made to obtain appropriate VAT receipts where VAT is to be reclaimed. An appropriate VAT receipt should include:</p> <ul style="list-style-type: none"> details of the sale including the tax date; the supplier's VAT registration number; the amount paid for the goods or services; and the amount of VAT that the supplier has charged. <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p>	<p>Implemented</p>

<p>5.5.1 Medium</p>	<p>A sample of five paid orders were selected from SIMS for examination. Four of these orders were not raised on SIMS until after receipt of the goods and corresponding invoice, although on each occasion it is likely that a prior request would have been made (i.e. order numbers: 4121150250, 4121150251, 4121150262 & 4121150267).</p>	<p>Where possible the School should use the purchase card for the purchasing of goods and payment of services.</p> <p>On occasions where it is not possible to use the Purchase Card, an official order should be raised on SIMS for all committed expenditure. This should be done as soon as the commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner (by the budget holder) and there is a hard copy of the items ordered at the school which can be used to check the subsequent delivery of goods and relevant invoice.</p>	<p>Implemented</p>
<p>5.6.1 Low</p>	<p>Observations made during the Audit visit identified that ICT equipment is not marked as property of the School.</p>	<p>All ICT equipment should be security marked as property of the School.</p>	<p>30 April 2018</p>

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