



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2018/19**

**AUDIT COMMITTEE**

**5<sup>TH</sup> NOVEMBER 2018**

**FINALISED AUDIT ASSIGNMENTS**

**REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES**

Author: Marc Crumbie (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 5<sup>th</sup> September 2018 and 26<sup>th</sup> October 2018.

**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. REASONS FOR RECOMMENDATIONS**

- 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 5<sup>th</sup> September 2018 and 26<sup>th</sup> October 2018. 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 6 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

**EDUCATION & INCLUSION SERVICES**

- CAEGARW PRIMARY SCHOOL
- CWMDAR PRIMARY SCHOOL
- GELLI PRIMARY SCHOOL
- HIRWAUN PRIMARY SCHOOL
- TREORCHY COMPREHENSIVE SCHOOL
- Y PANT COMPREHENSIVE SCHOOL - FOLLOW UP

**5. EQUALITY AND DIVERSITY IMPLICATIONS**

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

**6. CONSULTATION**

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

**7. FINANCIAL IMPLICATION(S)**

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**

**5<sup>th</sup> November 2018**

**FINALISED AUDIT ASSIGNMENTS**

**REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES**

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

**Item: 8**

**Background Papers**

None.

Officer to contact: Marc Crumbie

## Appendix 1 - Summary of audit assignments completed between 5<sup>th</sup> September 2018 and 26<sup>th</sup> October 2018

### EDUCATION & INCLUSION SERVICES

**AUDIT NAME: CAEGARW PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 09/10/2018**

#### 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-evaluation checklist against expected controls.

Caegarw Primary 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 report has been presented to the Full Governing Body at its meeting held on the 17<sup>th</sup> October 2018.

#### SCOPE & OBJECTIVES

The checklist for non-chequebook primary schools comprises of 105 standards. Audit testing was carried out on a sample transactions processed during financial year 2018/19.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered 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.

All statutory policies and documents were present at the time of the audit. A number of policies were reviewed during the Spring Term 2018 and were found to have been signed and dated by both the Chair of Governors and Headteacher. A rolling Policy review programme is in place, however for some of the older policies, it was unclear as to when they were reviewed and presented to the Governing Body as many did not have cover sheets with these details recorded, and little evidence of them being presented to the Governing Body contained within the Governing Body minutes.

A Register of Business Interests is in place with declarations completed by the 11 current governors. The School currently has one Governing Body vacancy for which they should continue to endeavour to fill. The School should also introduce attendance registers for the sub-committee meetings that are not facilitated by the Council's Governor Support Service.

### Safeguarding & Educational Visits

The control environment in respect of Safeguarding & Educational Visits is considered to be effective with opportunity for improvement.

The School has a Child Protection Policy in place which was reviewed in May 2018 and is due to be presented to the Governing Body in the Autumn Term 2018. 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. Evidence of Level 1 Safeguarding Training was available at the School for all staff. The Headteacher, Deputy Headteacher and three other members of staff have also received Level 3 safeguarding training.

It was however noted that whilst the School has adopted the Council's 'Staff Disciplinary for School Based Staff' Policy it was an older version dated September 2012. This report recommends that the most recent version of the Policy is represented to the Governing Body for ratification. While a file is maintained containing details of all DBS / pre-employment checks carried out in respect of agency or supply staff, occasions were identified where information had not been printed and/or retained as evidence of the placement.

The School use the Evolve system to document and authorise planned trips; audit testing confirmed that all trips examined had been recorded and submitted for approval within the correct timescales.

### School Private Fund

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

The Treasurer maintains detailed records with an adequate audit trail of all income and expenditure transactions. An electronic ledger is maintained; however no running balance is currently recorded or details of the total bankings made. Income is collected fortnightly via the secure collection service and the account reconciled to the bank statements monthly.

Payment was made to an entity for services, however, it was reported that no IR35 checks were completed prior to commencement of service provision.

Two occasions were noted where a receipt / voucher was not present to support the expenditure incurred and this report recommends the introduction of a Record of Expenditure Without a Receipt form for such occasions. A review of the latest annual certificate revealed that it was accurately completed; however it was not submitted to Education Finance until after the deadline date.

The School currently has only 2 authorised cheque signatories, both of whom are required to sign cheques. To avoid the potential for delays, the School could identify an additional signatory.

#### 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 in operation at the School. While a transaction log is maintained in respect of one card in operation, no transaction log is used for the second. Should the School wish to continue with the operation of 2 cards, a separate transaction log should be maintained.

A card sharing log is in place to document occasions where the main card is used by other members of staff and all purchases reviewed were supported with appropriate documentation i.e. receipts, invoices and a Record of Expenditure Without a Receipt pro-forma is in use when required.

#### School Meals

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

School meals income is recorded directly onto SIMS, with meal numbers provided to Catering staff daily. Income is collected fortnightly via the secure collection service and returns in respect of both catering and banking are submitted accordingly.

At the time of the visit there were 3 pupils with arrears in excess of the 2 week limit, and when questioned, staff at the School confirmed that arrangements were in place to ensure that these balances would be cleared before the end of the Summer Term.

It was also identified that no half termly report has been returned to Catering Finance in respect of the February or Easter 2018 Terms. The School should ensure that all returns are submitted in accordance with the Arrears protocol.

#### 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:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	<p>While a Policy Review process is in place at the School, it was not always possible to establish when some of the School's Policies and Documents were reviewed, when they are due to be reviewed and when they have been presented to the Governing Body for ratification.</p> <p>This information would usually be included on the cover of the relevant Policy.</p> <p>While this was present on some occasions it was not the case for all policies and documents. It was also sometimes difficult to identify this</p>	<p>Any policies that are updated/amended need to be presented to the Governing Body for ratification with a record held of this (recorded via the minutes). Details should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	from the Governing Body meeting minutes.		
5.1.2 Low	Examination of the current Governing Body structure revealed that there is one vacancy.  It is acknowledged that the School has endeavoured to fill this vacancy.	The School should continue to endeavour to fill the Governor vacancy as soon as possible.	Implemented
5.1.3 Low	While the School's Governor Support Officer minutes and retains the attendance lists for any Full Governing Body meetings, attendance sheets are not maintained by the School in respect of any sub-committee meetings held.	For those meetings not attended / minuted by the Governor Support Officer, attendance lists should be completed and retained at the school.	Implemented
5.2.1 Medium	The School has adopted the RCT Staff Disciplinary for School Based Staff and this was recently presented to and adopted by the Governing Body.  A review of this document revealed that it was dated 2012. However, the current operating version of the Policy is dated September 2013.	The Headteacher should ensure that the most recent version of the Staff Disciplinary Policy is presented to the Governing Body for ratification.	Implemented
5.2.2 Medium	Where agency or supply staff are used by the School, a file is maintained containing printouts, emails and DBS information relating to the placement.  However a review of the supporting paperwork identified occasions where supporting paperwork had not been printed / saved and retained. The School Clerk did however report that difficulty had been experienced with the retention of emails due to the limited inbox storage since being transferred over to the RCT mailbox.	An up to date list / record of all agency / supply staff should be maintained at the school detailing their names, DBS reference numbers and date of check.  Care should be taken to ensure that all emails received by the school from supply agencies confirming details of the placements are printed and retained in a central file as appropriate evidence of the	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		pre-employment check.	
5.3.1 Low	Currently the School has 2 authorised cheque signatories for the School Private Fund.	The School should update the current signatories for the School Private Fund account to include an additional signatory.	31 December 2018
5.3.2 Medium	The School are using an electronic ledger for recording School Private Fund transactions.  Examination of this ledger revealed that whilst the overall format is adequate, a running balance of the account is not maintained and whilst individual income entries are recorded, the total income banked is currently not detailed.	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. The totals of income banked and a date of banking should also be recorded.  A standard template for an electronic ledger is available and was distributed to all schools by Education Finance in April 2018.	Implemented
5.3.3 Low	Point 5.1 of the School Private Fund Regulations states: <i>'All items of expenditure must be supported by a relevant receipt / invoice as proof of payment. Where, due to exceptional circumstances, it is accepted that such documents cannot reasonably be provided; the Treasurer must record the details of the purchase on a Record of Expenditure Made Without Receipts Form, which must be signed by the member of staff who incurred the expenditure (N.B. This should be avoided wherever possible.). An example of this form is included as Appendix 8.'</i>  Two occasions were noted during the sample period examined where	Receipts should be retained to support all expenditure from the School Private Fund.  Where this is not possible, a Record of Expenditure Made Without Receipts form should be completed and appropriately signed, an example of which can be found in the School Private Fund Regulations (Appendix 8).	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	no supporting receipts or vouchers were available : £50 - Aberdare Netball League - 102026 £40 - Newton Parish - 102035 - 102035		
5.3.4 High	Examination of a sample of expenditure from the School Private Fund identified that payments have been made to a Historian who carries out learning activities with pupils. No HMRC IR35 questionnaire was completed prior to appointing this individual.	Before a School engages with an external entity for the provision of services, they must review the employment status using the HMRC IR35 online tool.  This should be done for this individual prior to any further sessions being arranged, with evidence of the check retained at the School.  Further guidance on the completion of the online tool can be sought from the Council's Payroll & Payments Service Manager.	Implemented
5.4.1 Low	It was reported by Catering Finance that the School failed to submit their half term school meal arrears returns for February and Easter 2018.	The School must ensure that they submit their half termly arrears return in accordance with the Arrears protocol.	Implemented
5.5.1 Medium	The School currently has two purchase cards, one of which has only been used once since January 2018.  It was identified that no transaction log is in place for the card acquired in January.	If the School are to continue using both purchase cards then a second transaction log should be introduced, with details of all purchase card transactions recorded on the log as and when they occur, and cross referenced to their respective invoice/voucher.	Implemented

**AUDIT NAME: CWMDAR PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 19/09/2018**

### **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-evaluation checklist against expected controls.

Cwmdar Primary School was last subject to an Internal Audit Review in November 2014 and this is the second cyclical visit made to the School since the amalgamation of the former Infants and Junior schools to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this report was presented to the Full Governing Body at its meeting held on the 1<sup>st</sup> October 2018.

### **SCOPE & OBJECTIVES**

The checklist for non-chequebook primary schools comprises of 105 standards. Audit testing was carried out on a sample of transactions processed during financial year 2018/19.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered 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.

All statutory policies and documents were present at the time of the audit. These had been reviewed following the appointment of the current Headteacher in April 2017 and were found to have been signed and dated by both the Chair of Governors and Headteacher. In order to complete this exercise, this report recommends that these be presented to the Full Governing Body for ratification with a rolling programme of review and ratification being put in place thereafter.

A Register of Business Interests is in place and declarations were present for all current governors. The School currently has a full Governing Body with no vacancies at this time. While the majority of minutes have been signed by the Chair of Governors this had not been done for all of the sub-committee minutes examined.

### Safeguarding & Educational Visits

The control environment in respect of Safeguarding & Educational Visits is considered to be effective with opportunity for improvement.

The School has a Child Protection Policy in place which was reviewed in June 2018 and is due to be presented to the Governing Body in the Autumn Term meeting 2018. There was documentary evidence in place at the School to confirm that all members of staff had received a copy of the Policy and had read and understood it.

Management at the School indicated that Level 1 safeguarding refresher training is delivered to all staff at the start of each academic year; however there was no evidence to support this by way of a formal record of attendance. It was also noted that there are currently 4 staff trained to Level 3 who last completed training in February 2016 and is therefore due to be updated (as this is required every 2 years).

A record of DBS checks was in place at the School and was up to date. The School use the Evolve system to document and authorise all planned trips and all trips examined had been recorded and submitted for approval within the correct timescales.

### 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 and a card sharing log in place to document occasions where the card is used by other members of staff. All purchases reviewed were supported with documentation i.e. receipts, invoices, online orders, and a Record of Expenditure Without a Receipt pro-forma has been completed when required.

### 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.

The Treasurer maintains detailed records with an adequate audit trail of all income and expenditure transactions. A manual ledger is maintained and this was found to be of an appropriate format and was up to date at the time of the review. Income is banked weekly and the account reconciled to the bank statements monthly.

All expenditure within the sample was solely for the benefit of the pupils and was supported with receipts. A review of the latest annual statement revealed that it was accurately completed and submitted in accordance with the deadlines contained within the School Private Fund Regulations.

### School Meals

The control environment in relation to the School Meals system is considered to be effective with opportunity for improvement. School meals income is recorded directly onto SIMS with meal numbers provided to Catering staff daily. Income is banked weekly and returns in respect of both catering and banking are submitted accordingly. This report however recommends that a second paying in slip is completed at the end of each week for any additional income received after the main collection and banking has been undertaken. This will allow for an easier reconciliation between the weekly income received and corresponding Catering and Banking Returns, as the amount will be easily identifiable and not incorporated into a consolidated banking the following week.

The School is sending reminders to parents in respect of dinner money arrears on a weekly basis and Catering Finance are provided with a ½ termly report. At the time of the visit there were no pupils with arrears in excess of the 2 week limit.

#### 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.

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1  Medium	<p>It was difficult to establish when some of the School's Policies and Documents were reviewed, when they are due to be reviewed and ratified / presented to the Governing Body due to the lack of information or detail included on the Policy document cover. While this was present on some occasions it was not the case for all policies and documents. It was also sometimes difficult to identify this from the Governing Body meeting minutes.</p> <p>It is acknowledged that the Headteacher has only been in post full time since April 2017, following which time a review process has commenced.</p>	<p>The Headteacher and Governing Body should ensure that they implement a rolling programme to review all School policies. This will ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Any policies that are updated/amended need to be presented to the Governing Body for ratification with a record held of this (recorded via the minutes). Details should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	Implemented
5.1.2	The Government of Maintained Schools (Wales) 2005 Regulation, Part	All governing body committee and sub-	30 April 2019

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	<p>7 states that:  <i>'(2) The minutes of the proceedings must be entered into a book kept for the purpose by the clerk and may be entered on loose-leaf pages consecutively numbered; but in that case the person signing the minutes must initial each page.'</i></p> <p>Review of the Governing Body minutes revealed that whilst the majority of minutes have been signed by the Chair of Governors it was noted that some of the sub-committee minutes had not been signed.</p>	<p>committee minutes should be signed by the Chair of Governors.</p>	
5.2.1 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 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>Management at the School indicated that Level 1 safeguarding refresher training is delivered to all staff at the start of each academic year; however there was no evidence to support this by way of a formal record of attendance.</p> <p>It was also noted that there are currently 4 staff trained to Level 3 who last completed training in February 2016 and is therefore due to be updated (as this is required every 2 years).</p>	<p>The Headteacher should ensure that Safeguarding training is renewed as and when required for all members of staff and 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. This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p> <p>A formal training record / attendance register should be put in place at the school and updated as and when training is delivered / received.</p>	30 April 2019

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.3.1  Low	<p>The majority of school meals income is collected and banked on a Monday or Tuesday, with a SIMS Banking Return also completed at this time.</p> <p>Any income received after this is updated to SIMS but not banked until the following Monday or Tuesday, with the additional amount being consolidated into one banking and recorded on one bank paying in slip.</p> <p>As each weekly banking comprises of income received during 2 separate weeks and Banking / Catering Returns completed at separate stages, it can be difficult to reconcile the weekly income received and banked.</p>	<p>A second bank paying in slip should be completed at the end of each week, detailing any additional income received since the main collection and banking was undertaken.</p> <p>The Catering and Banking Returns should also be completed at this time, allowing the weekly income recorded on SIMS to agree to both the meals served and Catering / Banking Returns.</p> <p>Note - This income can still be banked the following week but will be easily identifiable as additional income.</p>	31 December 2018

**AUDIT NAME: GELLI PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 12/09/2018**

### **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-evaluation checklist against expected controls.

Gelli Primary 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 report was presented to the Full Governing Body at its meeting held on the 18<sup>th</sup> October 2018.

### **SCOPE & OBJECTIVES**

The checklist for chequebook primary schools comprises of 155 standards. Audit testing was carried out on a sample transactions processed during financial year 2018/19.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered 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 to ensure that the budget set by the School complies with the 'Fair Funding : Scheme for Financing Schools, is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the School's 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 ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To review the governance arrangements in place at the School.

## AUDIT OPINION

### Safeguarding & Educational Visits

The control environment in respect of Safeguarding & Educational Visits is considered to be effective with opportunity for improvement.

The School have a Safeguarding and Child Protection Policy in place (dated June 2017). Whilst this had been presented to the School's Policy Committee it had not been presented to, and ratified by, the full Governing Body (this is due to be done in Autumn Term 2018). A Staff Disciplinary Policy is also in place and this report recommends that this School based policy is cross referenced to the RCT Staff Disciplinary Policy to ensure that it meets the necessary legislation, then presented to the Governing Body for ratification.

Level 1 Safeguarding training is provided to the School annually; however there is no formal record in place to demonstrate which members of staff were in attendance. The Headteacher, Deputy Headteacher and three other members of staff have received Level 3 safeguarding training, and certificates were present as evidence of this.

While on screen evidence is viewed to verify details of all DBS / pre-employment checks carried out in respect of agency staff, this information is currently not printed / retained as evidence. It was also noted that payments have been made to a number of entities for the provision of services; however no IR35 questionnaires were completed prior to engaging with these providers.

### Governance

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

All statutory policies and documents were in place at the time of the audit. A review process has been put in place since the appointment of the current Headteacher; however for some of the older policies, it was unclear as to when they were reviewed and presented to the Governing Body as many did not have cover sheets with these details recorded, and little evidence of them being presented to the Governing Body were contained in the Governing Body minutes. This report also recommends that all Policies are presented to the Full Governing Body for endorsement following review by the Policy Review Committee.

There were signed copies of all meeting minutes reviewed at the School. However, attendance registers for sub-committees are currently not completed for those meetings not attended by the School's Governor Support Officer. A Register of Business Interests is in place and all current Governors have completed the necessary declaration. The School currently have a full Governing Body in place of 13 as per the Constitution.

### School Private Fund

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

The Treasurer maintains detailed records with an adequate audit trail of all income and expenditure transactions. All expenditure within the sample period examined was solely for the benefit of the pupils and was supported with receipts / vouchers.

The Private Fund account is held with a local bank however income is banked via a local Post Office (for convenience). On review of the account it was noted that administrative charges are being incurred for using this facility, and between September 2017 and July 2018, this amounted to over £200. The Headteacher should consider utilising the Loomis secure collection service and open a new account via the Council's Income & Reconciliation Team which will eliminate both the charges and the need for the School Clerk to carry out bankings in person.

### Purchase Card

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

There was a sufficient audit trail in respect of Purchase Card transactions. Records were up to date and were found to be reconciled upon receipt of the bank statements.

An electronic Transaction Log is currently maintained; however, this is one continuous list with no distinction from period to period. It is recommended that the Transaction Log is split into monthly periods (or billing periods) rather than one continuous log which will help the reconciliation process. It is also recommended that one single cash book journal for the value of the monthly bill is then undertaken, with details of individual transactions listed within the journal.

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  Medium	<p>The School has devised its own Staff Disciplinary Policy.</p> <p>While Governor Support has confirmed that Schools can devise their own Policy, it is the responsibility of the School to ensure that their Policy complies with all the necessary legislation.</p> <p>It is uncertain as to whether the Policy devised by the School meets the requirements of RCT's 'Staff Disciplinary for School Based Staff' policy which is readily available.</p>	<p>The Headteacher should contact the School's Governor Support Officer to obtain a copy of the RCT 'Staff Disciplinary for School Based Staff' policy. This should be compared to the existing policy to ensure that it meets the necessary legislative requirements.</p> <p>The Policy should then be formally presented to the Governing Body for approval, with this being clearly minuted.</p>	18 November 2018
5.1.2  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>Discussion at the School revealed that Level 1 refresher training is</p>	<p>A formal training record / attendance register should be put in place at the School and updated as and when training is delivered / received.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	provided to all School staff annually. However no formal record of attendance or signing in / out sheet is maintained.		
5.1.3 High	<p>On review of a sample of payments made by the School the following were identified: A.S - £326.36 I.F - £400.00 H - £240.00</p> <p>Discussion at the School revealed that no IR35 questionnaires were completed prior to engaging with these providers.</p> <p>On review of the Council's pre-approved IR35 list it was identified that none of the aforementioned providers are currently recorded.</p>	<p>Before the School engages with an external entity for the provision of services, the employment status must be established using the HMRC on line tool.</p> <p>This must be done prior to any further sessions being arranged, with evidence of the check retained at the School.</p> <p>Further guidance on the completion of the online tool can be sought from the Council's Payroll &amp; Payments Services Manager.</p>	31 October 2018
5.1.4 Medium	Where agency or supply staff are used by the School, staff at the School indicated to Internal Audit that they review on screen evidence to confirm the necessary pre-employment checks have been undertaken and the person is appropriately DBS checked. However, no supporting evidence is printed / saved and retained at the School.	<p>An up to date list / record of all agency / supply staff should be maintained at the School detailing their names, DBS reference numbers and date of check.</p> <p>Care should be taken to ensure that all emails received by the School from supply agencies confirming details of the placements are printed and retained in a central file as appropriate evidence of the pre-employment check.</p>	Implemented
5.2.1	The School does not have a rolling programme of review for all	The Headteacher and Governing Body	31 July 2019

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
High	<p>Policies. In addition, Policies that have been reviewed / updated are not always presented to the Governing Body for ratification.</p> <p>The Headteacher was also unaware that all policies should be presented to and ratified by the full Governing Body (The School have a Policy Committee which currently ratifies and reviews all policies).</p> <p>It is acknowledged that the Headteacher has only been in post full time since March 2018.</p>	<p>should ensure that they implement a rolling programme of review for all School Policies. This will ensure that all Policies are kept up to date and reflect the current practices at the School.</p> <p>All policies (including new ones) that are updated/amended need to be re-presented to the full Governing Body for ratification with a record held of this (recorded via the minutes). Details should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	
5.2.2 Low	<p>While the School's Governor Support Officer minutes and retains the attendance lists for any Full Governing Body meetings attended, attendance sheets are not maintained by the School in respect of any sub-committee meetings held.</p>	<p>For those meetings not attended / minuted by the Governor Support Officer, attendance lists should be completed and retained at the School.</p>	Implemented
5.3.1 Medium	<p>The School's Private Fund bank account is held with a local bank. Due to issues in respect of the closure of local branches, the School are currently banking income in a local Post Office for convenience purposes.</p> <p>On review of the fund bank statements it was identified that the School are incurring charges for this facility, and for the period September 2017 to July 2018, the private fund has incurred over £200 in charges.</p>	<p>The Headteacher should consider utilising the Loomis secure collection service and make enquiries with the Council's Income &amp; Reconciliation Team. Via this service the School have the option to open a new* Private Fund account with the bank which will allow Loomis to collect Schools meals income and Private Fund income.</p> <p>*A new account is required to be opened in order to bring it under the umbrella of the</p>	31 October 2018

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
		Council's group of accounts.	
5.4.1 Low	<p>A Transaction Log is in place at the School and it was found to be up to date with details of the latest transactions.</p> <p>However, this is one continuous list of transactions with no clear distinction from month to month.</p>	<p>The Transaction Log should be split into monthly periods. This will help in the reconciliation process when comparing individual entries to the bank statements.</p> <p>For each monthly period, the log can be printed and retained along with the respective period bank statements and the supporting documentation.</p>	Implemented
5.4.2 Low	<p>Discussions at the School revealed that individual cash book journals are created on SIMS for each individual purchase card transaction payment.</p> <p>There is an option to complete a single cash book journal for the billing period and details of the transactions made during the billing period are recorded within the single cash book journal.</p> <p>This will be less time consuming but still allow ease of reconciliation and transparency.</p>	<p>The School should consider completing a single cash book journal for each monthly billing period. The individual transactions made during each monthly billing period are recorded within the single journal for the amount of the month bill.</p>	Implemented

**AUDIT NAME: HIRWAUN PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 11/10/2018**

### **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-evaluation checklist against expected controls.

Hirwaun 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.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at its Autumn Term meeting.

### **SCOPE & OBJECTIVES**

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

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered 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, is in line with the funding available, individual budget heads are reasonable and 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 computer 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 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, a declaration had not been completed for one (new) Governor.

Whilst all statutory policies and documents were present, there are a number of policies / documents where it was not evident within the Governing Body minutes that they had been formally presented and ratified. 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 and review dates clearly recorded on the front covers.

### 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. Although it was evident that an update on Safeguarding was provided to staff during the 2017 Autumn Term, one member of staff was not present for the training (due to maternity leave). It was also noted that the Level 3 Training Certificate for one member of staff had expired.

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 had received a copy of the Policy and had read and understood it. Similarly, the School had not formally made parents/guardians aware that the Policy is in existence.

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.

It was established that the Ledger for the current academic year had not been completed until the Summer Term and was not up to date during the Audit fieldwork. Furthermore, some anomalies were noted on the Ledger, which would have been made as a result of completing it in retrospect. This report recommends that from September 2018, the Ledger be updated as and when a transaction takes place to ensure that an up to date record is always available at the School and can be used to complete the bank reconciliation exercise.

Similarly, there is no central record of daily income maintained at the School. Currently, separate records are maintained in respect of each individual trip / activity and although the 4 trips examined were reconciled, in addition to the individual trip / activity records, a central Record of Daily Income should also be maintained.

There is 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, was in accordance with the School Private Fund Regulations and supported with receipts / invoices. However, this report recommends that a third cheque signatory be appointed to ensure that cheques can always be issued promptly.

### Purchase Card

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

There is one Purchase Card at the School and there is a sufficient audit trail in respect of evidence being available that supports the expenditure. However, audit testing identified that the Transaction Log is not updated with items of expenditure until receipt of the Bank Statement. This report recommends that the Transaction Log be updated each time a purchase takes place.

Purchasing

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

There is a process in place so that all purchases are authorised by the budget holder prior to committing the School to expenditure. From a sample of 5 completed orders, all had been authorised in accordance with this procedure. All payments in the sample examined were supported by valid VAT invoices and cheque signatories examine documentation prior to authorising cheques.

Notwithstanding this, from a sample of 5 non-orders examined, 3 had been raised in retrospect after receipt of the goods / services provided. In these instances an official order (confirmation if made by telephone) should have been raised as soon as a commitment to expenditure was 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 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.

School Budget

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

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. However, during the sample period examined, instances were identified where there was a delay between the receipt of income / notification of income and the subsequent update onto SIMS, and this report recommends that details of all income received should be updated to SIMS as soon as it is received to ensure that the budgetary information is up to date and accurate.

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. However, it was noted that members of staff regularly take items of School equipment home but no formal record is in place to record this. In addition, IT equipment is not marked up as property of the School.

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	Section 2.9 of the Scheme for Financing Schools states that: <i>'Governing bodies are required to establish a register of business</i>	The missing declaration for the new Governor should be completed immediately.	31 October 2018

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	<p><i>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'.</i></p> <p>Although a register has been established at the School, the declaration for one Governor was not in place.</p> <p>Note: it is acknowledged that this was in respect of a new Governor.</p>	Thereafter, declaration of interests should be updated at least annually.	
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 following had been formally presented and ratified:</p> <ul style="list-style-type: none"> <li>• Data Protection Policy</li> <li>• Equality Policy</li> <li>• Pay Policy</li> <li>• Positive Behaviour Policy</li> <li>• Action Plan following School Inspection</li> <li>• Assessment Arrangements</li> <li>• Freedom of Information Publication Scheme</li> </ul>	<p>The Headteacher and Governing Body should ensure that they implement a rolling programme to review all Policies. This will ensure that all Policies are up to date and reflect the current practices at the School.</p> <p>Any policies that are updated/amended need to be presented to the Governing Body for ratification with a record held of this (recorded via the minutes). Details should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated.</p>	31 October 2018
5.2.1 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 ensure that all staff and volunteers who work</i></p>	In respect of the 2 members of staff identified, the relevant training should be undertaken as soon as possible with evidence retained at the School.	31 October 2018

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>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>Although it was established that Level 1 training was provided to the whole school on 21<sup>st</sup> November 2017, there was 1 member of staff who did not undertake the training as she was on maternity leave at the time. During the fieldwork it was noted that the member of staff had since returned to work; however there was no evidence of refresher training.</p> <p>Audit testing also established that one Level 3 Training Certificate for one member of staff had expired.</p>	<p>Note: The current requirements are that:</p> <ul style="list-style-type: none"> <li>• Whilst Level 1 refresher training can be provided annually and in-house by the School, it also needs to be delivered once every 3 years by a member of the Council's Safeguarding Team.</li> <li>• Level 3 training is required every 2 years.</li> </ul>	
5.3.1 High	<p>At the time of the audit, issues were noted in respect of the Private Fund Ledger not being kept up-to-date:</p> <ul style="list-style-type: none"> <li>• Discussions with the School Clerk prior to the commencement of the Audit fieldwork (May 2018) identified that the Private Fund Ledger had not been updated for the current academic year.</li> <li>• Deposits of income made during the previous week had not been recorded (13 deposits amounting to £960.10).</li> <li>• 1 payment of £120.00 in respect of a deposit for Llangrannog appeared on the Ledger although the actual payment entry was incorrectly recorded as a Year 3 / 4 trip to Cantref.</li> </ul> <p>In addition to the above, there was no central record of daily income being maintained. Instead, the Clerk was maintaining individual trip</p>	<p>All income and expenditure should be promptly and clearly recorded on the Private Fund Ledger - this will help to ensure that an accurate running balance is in place.</p> <p>In addition to the individual trip / 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, and supported by the signatures of the two persons involved.</p> <p>When income is subsequently banked the</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	records.	<p>amounts should be totalled and ruled off.</p> <p>These records will then enable an appropriate bank reconciliation to be undertaken (see 5.3.2).</p>	
5.3.2 High	<p>Appendix 2, point 1.2(d) of the School Private Fund Regulations states: <i>'At the end of each month the ledger must be printed, reconciled to the bank statements, signed and dated to evidence the reconciliation. Printed reconciliations must be kept securely on file and retained in line with the Retention of Records Regulations (i.e. 6 years plus the year of account)'</i></p> <p>Whilst all bank statements show evidence of a check (i.e. items are ticked as checked) the bank statements are not signed and dated by the person undertaking the bank reconciliation exercise.</p> <p>Furthermore, and with reference to 5.3.1, the bank reconciliation exercise does not include any reconciliation to the School Private Fund Ledger.</p>	<p>At the end of each month, the ledger should be printed and reconciled to the bank statements, bank paying in book and cheque book.</p> <p>The Bank Statements and the Ledger should be signed and dated as evidence of the reconciliation exercise being complete.</p>	Implemented
5.3.3 Low	There are only 2 cheque signatories for the School Private Fund, both of whom are required to sign to authorise a cheque.	A third cheque signatory should be appointed. This will ensure that cheques can be authorised and issued promptly (in the absence of 'one' signatory).	31 October 2018
5.4.1 High	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</i>	Details of all Purchase Card transactions should be promptly updated onto the Transaction Log.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>transaction log as soon as the transaction is complete to ensure that no information is omitted.'</i></p> <p>Section 6 of the Cardholder Manual for School document issued by Procurement Services also states that :  <i>"Cardholders must check that the bank statements match those on the transaction log".</i></p> <p>Discussion at the School revealed that the Transaction Log is not updated until the Bank statement is received.</p>	<p>The Transaction Log should then be used to reconcile the Bank Statements upon receipt, with the bank statements being ticked, signed and dated as evidence of the reconciliation taking place.</p>	
5.5.1  Medium	<p>A sample of 5 non-order invoice payments were examined.</p> <p>It is likely that for 3 of the 5 payments examined a prior request would have been made for the services provided / goods requested and consequently an official Purchase Order should have been raised on SIMS:</p> <ul style="list-style-type: none"> <li>• Reading Books from Oxford University Press;</li> <li>• Skip hire from P&amp;G Skip hire; and</li> <li>• Theatre Performance from Kinetic Theatre.</li> </ul>	<p>An order (confirmation if made by telephone) should be raised on SIMS as soon as a commitment to expenditure is known.</p> <p>This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and that there is a hard copy of the 'order form' held at the school that details the items ordered which can be used to check the subsequent delivery of goods and relevant invoice.</p>	Implemented
5.6.1  Medium	<p>During the sample period (April to June 2018), 3 occasions were identified where there was a delay between the receipt of income / notification of income and the subsequent update onto SIMS.</p>	<p>Details of all income received should be updated to SIMS as soon as it is received to ensure that the budgetary information is up to date and accurate.</p>	Implemented
5.7.1	<p>Observations made during the audit visit identified that IT equipment is</p>	<p>IT equipment should be marked as property</p>	31 October 2018

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
Low	not marked up as property of the School.	of the School.	
5.7.2 Low	In order to undertake work outside of the School, staff occasionally take I.T equipment home. However, no formal record of the removal is maintained.	Where items of School equipment are taken off site, a record should be maintained containing the date of removal, item of equipment, serial number, name of the person removing it and the date it was returned.	Implemented

## AUDIT NAME: TREORCHY COMPREHENSIVE SCHOOL

DATE FINAL REPORT WAS ISSUED: 12/09/2018

### INTRODUCTION

Treorchy Comprehensive School is a large 11 – 18 mixed Comprehensive School. There are 1644 pupils at the School, including 354 in the sixth form. The total budget for the School for 2018/19 is £6,739,515. Treorchy Comprehensive School was last subject to a routine audit visit in January 2016. The Headteacher has confirmed that this report will be presented to the Full Governing Body at their November 2018 meeting.

### SCOPE & OBJECTIVES

All financial systems in operation at the school 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 work was carried out on the following areas of administration: -

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

### 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 have a Safeguarding and Child Protection Policy in place. Whilst this was reviewed and presented to the Governing Body in November 2017, this was found to be an older version from 2016 and not the most recent available at that time (June 2017).

The School's Safeguarding Officer confirmed Level 1 Safeguarding training has been provided to School staff in various sessions throughout the year. However, whilst manual signed registers of attendance would have been completed at each session, these have subsequently been disposed of and were not available during the audit review to confirm attendance (an electronic record had been used with the details transferred from the manual registers).

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'. 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 its Sub-Committees had the requisite number of members and quorate levels for meetings were achieved. A Register of Business Interests is in place at the School and is updated annually.

Whilst attendance registers for full Governing Body meetings are maintained, this was not being done for Sub-Committee meetings.

Whilst a delegated financial limit of £20k has been agreed for the Headteacher, no limits have been agreed for other staff responsible for committing the School to expenditure. These should be documented within the School's Financial Procedures and agreed by the Governing Body.

### School Income

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

The School have developed a Finance Policy that contains details of how each area of administration should be managed. Staff responsible for identifying, receiving and recording income due to the School have been clearly defined and are aware of their duties.

Income is however collected from pupils by the Home Economics teacher to purchase ingredients with no income record maintained to confirm the amounts collected prior to transferring the income to the main office for banking. This report recommends that a suitable record is introduced if this practice is to continue.

The School have a number of groups/organisations who hire the School's facilities and a Hire of Premises/Charging Policy has been introduced. Whilst each had an application of hire on file, these had not been completed by the group/organisation but by a member of staff at the School, and details on the application had not been fully completed i.e. dates of hire, signatures etc.

### Purchase Card

The control environment in respect of the Purchase Card is considered to be effective.

There is one Purchase Card in operation at the School. A Transaction Log is maintained to record all expenditure; however it was found that this is not updated as and when purchases are made.

There is a card sharing log in place to document occasions where the card is used by other members of staff. All purchases reviewed were supported by appropriate receipts/invoices during the sample period examined.

### 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.

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 weekly and the account reconciled to the bank statements monthly.

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

### Purchasing

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

From a sample of orders examined, all had been administered appropriately and correctly authorised, with SIMS updated accordingly with delivery and

payment details.

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

**SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
<p>5.1.1</p> <p>High</p>	<p>The School's Child Safeguarding Policy was last reviewed by the Governing Body in November 2017.</p> <p>Discussions with the Headteacher established that whilst the School were aware of the latest Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy, issued in June 2017 to all schools, they were not aware that the Policy should be adopted by the School.</p> <p>As a result, requirements in regards to designated safeguarding staff and all other staff having to sign to confirm that they have received, read and understood the Child Safeguarding Policy have not been put in place.</p> <p>Additionally, examination of the School's website identified that whilst there is a Safeguarding Policy on the website, it is not the most recent version that was presented to Governors in November 2017.</p>	<p>The School should adopt the Cwm Taf Safeguarding Children Board (CTSCB) Safeguarding Policy.</p> <p>Once the revised Safeguarding Policy has been formally adopted and agreed by the Governing Body, each member of staff should sign to demonstrate that they have received, read and understood the Safeguarding Policy.</p> <p>This Policy should also be updated to the School's website once adopted.</p>	<p>Implemented</p>
<p>5.1.2</p> <p>High</p>	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <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</i></p>	<p>A formal signed record should be made each time any member of staff at the School undertakes safeguarding training.</p>	<p>Implemented</p>

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>by refresher training'.</i></p> <p>The School's Safeguarding Officer confirmed Level 1 Safeguarding training had been provided to School staff in various sessions throughout the year. However, the Safeguarding Officer confirmed that whilst manual signed registers of attendance would have been completed at each session, these have since been disposed of with the details being transferred to an electronic record of those staff in attendance at these meetings.</p> <p>These indicated that all staff employed by the School have undertaken the training (or if not appropriate reasons were provided as to why they have not e.g. maternity, sickness etc).</p> <p>However as the record is electronic and no signature present, this does not constitute an acceptable register of attendance.</p>		
5.2.1 Medium	<p>Within the School's Financial Procedures the Headteacher has been delegated authority to spend and vire up to £20k.</p> <p>However, whilst the Policy refers to other budget holders being responsible for their own delegated budgets, it is not specific as to who these budget holders are and also the 'upper' limit for individual purchases made.</p> <p>This principle also applies in respect of purchases made on the School Purchase Card, with no delegated limits in place for the staff who use it or limitations.</p>	<p>The School's Financial Procedures should be enhanced to confirm the financial limits for delegated authority, to ensure that a permanent record of the limits and authorised staff is available at the School.</p> <p>Once completed, the Policy should be presented to the Governing Body for approval and issued to all appropriate members of staff. The School should ensure that this is regularly reviewed and updated going forward.</p>	31 October 2018

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		NB: Any revisions to the Policy should take into account recommendations raised within this report.	
5.2.2 Medium	<p>Section 43(d) of 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>Whilst attendance registers are maintained for Full Governing Body meetings, they are not maintained for any Sub-Committee meetings.</p>	<p>The Clerk to the Governing Body should retain registers of Governor attendance for all Governing Body meetings (including Sub-Committees).</p> <p>All Governing Body members should ensure that they sign to confirm their attendance.</p>	Implemented
5.3.1 Low	<p>Discussions at the School revealed that the Home Economics Teacher is responsible for making food purchases.</p> <p>Money is collected from some pupils (but not all) for food items to be cooked during lessons. Purchases are made using the money collected but no record of this is maintained.</p> <p>In the absence of a record detailing all income received and expenditure incurred, it is not possible to ensure that all transactions are appropriate and can be accounted for.</p>	<p>The Headteacher should determine if the Home Economics Teacher is to continue collecting money from pupils.</p> <p>If so, income records of money collected from pupils should be maintained along with receipts / vouchers to support expenditure incurred.</p>	Implemented
5.3.2 Medium	<p>The School has a comprehensive Lettings Policy in place and currently hires out the premises to a variety of organisations.</p> <p>Examination of the 11 current hires at the School established that each had an application form for hire on file. However, the following issues</p>	<p>In accordance with the system intended by the School, Management should ensure all application forms for the hire of facilities are fully completed by hirers and a copy retained at the school.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>were identified: -</p> <ul style="list-style-type: none"> <li>• Only 2 of the 11 application forms had been signed by the hirer.</li> <li>• Each form has been completed by the same person (handwriting is the same on each) as opposed to the hirer.</li> <li>• Only 1 of the application forms has a start and end date for the period of hire, with 3 forms having no start or end date and the other 7 forms having start dates but only 'ongoing' as the end date.</li> </ul>		
5.4.1 Medium	<p>Section 6 of the Cardholder Manual for Schools 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 with a transaction log maintained electronically.</p> <p>Examination of the transaction log confirmed that the latest transactions have not been updated to the log, although supporting receipts/invoices were available.</p>	<p>Details of all Purchase Card transactions should be promptly updated onto the transaction logs as and when a purchase has been made.</p>	Implemented

## EDUCATION & INCLUSION

**AUDIT NAME: Y PANT COMPREHENSIVE SCHOOL - FOLLOW UP**

**DATE FINAL REPORT WAS ISSUED: 16/10/2018**

### INTRODUCTION

Y Pant Comprehensive School was last subject to a routine Internal Audit in June 2017. At this time, the overall control environment in respect of the School's financial and governance arrangements was considered to be insufficient and required improvement.

Following the presentation of the final report to Audit Committee, a follow-up review was requested 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.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at its meeting scheduled for the 14<sup>th</sup> November 2018.

### SCOPE & OBJECTIVES

Having given sufficient time for Management to implement the previous recommendations, the objective of this review was to:

- Establish the status of all recommendations raised within the previous report.

### AUDIT OPINION

This follow up review concludes that the overall control environment in relation to the School's financial and governance arrangements has improved since the previous review, but work continues in respect of implementing all recommendations in their entirety.

The previous audit report contained 34 recommendations. This follow-up review has established that 7 recommendations had still not been implemented, with 15 partially implemented and 12 implemented. Of the 7 recommendations that remain not implemented, 5 are High Priority.

Following a detailed follow-up audit review of the previous recommendations, the status of each recommendation is shown below:

	Implemented	Not Implemented	Partially Implemented
<b>SAFEGUARDING</b>			
HIGH	1	-	1
MEDIUM	-	-	-
LOW	-	-	1
<b>GOVERNANCE</b>			
HIGH	2	-	1
MEDIUM	1	-	-

LOW	1	-	-
<b>SCHOOL INCOME</b>			
HIGH	1	3	1
MEDIUM	-	-	1
LOW	-	-	-
<b>SCHOOL PRIVATE FUND</b>			
HIGH	2	-	2
MEDIUM	1	-	3
LOW	-	-	-
<b>PURCHASE CARD</b>			
HIGH	-	-	4
MEDIUM	2	-	-
LOW	-	-	-
<b>PURCHASING</b>			
HIGH	-	2	-
MEDIUM	1	1	-
LOW	-	-	-
<b>ASSETS</b>			
HIGH	-	-	-
MEDIUM	-	1	1
LOW	-	-	-
<b>TOTALS</b>	<b>12</b>	<b>7</b>	<b>15</b>

A full copy of the Internal Audit report has been provided to Members, as follows:

5.1 SAFEGUARDING

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.1.1</b> <b>Low</b></p>	<p>Whilst Internal Audit is able to provide assurance that all staff at the School received a DBS check prior to commencing in post, the School did not have the evidence available to confirm this.</p> <p>Note: Audit testing was undertaken based upon the information contained within the Council's Vision HR system.</p>	<p>The Acting Headteacher should ensure that the School holds and maintains an up to date 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>This will be actioned with a DBS register being held in the general office.</p> <p>Copies of DBS registrations from Agencies to be included.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and partially implemented when scoping this follow up review, with audit testing confirming that the recommendation has been partially implemented.</p> <p>The School staff list detailing staff DBS reference numbers was compared to the current list of staff employed at the School as provided by Vision Support.</p> <p>It was noted that there are 6 members of staff not included on the School list that are included on the VISION list.</p> <p>Note: Audit testing confirmed all staff have a DBS check, and that 3 staff had not commenced employment at the school at the time of review.</p>	<p>Agreed.</p> <p>Central list of all staff (permanent, temporary and volunteer) to be compiled detailing names, DBS reference and date of check.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>SLT Link Business/Manager 31<sup>st</sup> October 2017</p>		<p>Management should ensure that the School holds and maintains an up to date 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>Headteacher January 2019</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.1.2</b></p> <p><b>High</b></p>	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <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>It was established that Level 1 Safeguarding training was last provided to School staff by a Council Safeguarding Officer in February 2013.</p> <p>The School's designated Safeguarding Officer stated that since February 2013, she has provided Level 1 Safeguarding training to staff as she has been delegated the authority to provide annual refresher training at the School by the Council's Safeguarding team.</p> <p>Whilst the School's designated Safeguarding Officer has a number of training certificates for staff who have attended training, they don't complete a training attendance record for in School training sessions / refresher training.</p>	<p>The Acting Headteacher should ensure that a formal training record is put in place at the School and updated as and when training is delivered / received.</p>	<p>This will be actioned with a training register being held in the Safeguarding Officer's office.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and partially implemented when scoping this follow up review, with audit testing confirming that the recommendation has been partially implemented.</p> <p>Although it was established that Level 1 training was provided to the whole School on 11th January 2018, 25th January 2018 and 28th February 2018, the School were unable to demonstrate that 18 members of staff have received formal training (which includes 7 full-time and 11 Casual Exam Invigilators).</p>	<p>Agreed.</p> <p>Addition to above central list detailing safeguarding training. All staff not up to the level required for their role will be provided with training.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>			<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Senior Safeguarding Officer (Assistant Headteacher)</p> <p>31<sup>st</sup> December 2017</p>			<p>Headteacher &amp; Schools Safeguarding Officer</p> <p>January 2019</p>
				<p><b>UPDATED RECOMMENDATION</b></p>	
				<p>As a minimum, Level 1 Safeguarding training should be arranged for all 18 members staff that were not present on the latest training dates as soon as possible.</p>	

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE	
<p><b>5.1.3</b> <b>High</b></p>	<p>Examination of the budget expenditure for the current financial year identified payments are being made to 7 individuals in respect of music tuition.</p> <p>No HMRC questionnaire was completed prior to appointing each of these tutors and hence, no ESI reference number was obtained (these tutors were appointed prior to the introduction of the revised requirements relating to IR35).</p>	<p>Before a School engages with an external entity for the provision of services, they must review the employment status.</p> <p>Note: The school should be aware of the change in requirements that link to HMRC IR35.</p>	<p>There are currently 6 music teachers.</p> <p>5 have now transferred to RCT's Music Service.</p> <p>The remaining teacher has set up a limited company and is shortly to provide the required evidence for RCT's payroll section to process.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented.</p> <p>Following the previous Audit review, 5 of the 6 Music Teachers / Tutors are now employed by the RCT Music Service and the remaining Music Tutor has now been set up as a limited company and is being paid under the IR35 rules.</p> <p>In terms of the remaining teacher, the School had received the necessary checks from RCT and is now being set up as a Casual Instructor on the School's payroll.</p>	<p>Not required as original recommendation implemented.</p>	
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>		<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Business/Site Manager</p> <p>Implemented</p>		<p>Not Applicable.</p>		<p>Not Applicable</p>

5.2 GOVERNANCE

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p>5.2.1 High</p>	<p>The current Financial Procedure document in place at the School requires review and updating, for example:</p> <ul style="list-style-type: none"> <li>It contains the previous Headteachers details and not the current Acting Headteacher.</li> <li>It names the previous Headteacher as having, amongst other responsibilities, delegated financial limits up to £10k.</li> <li>It does not identify any other staff as having delegated spending limits.</li> <li>It contains only basic details regarding the roles / responsibilities of individual staff involved in several (not all) of the School's areas of administration.</li> <li>The document does not refer to the administration and collection / banking of income for the hire of facilities.</li> </ul>	<p>The Acting Headteacher should ensure that the School's Financial Procedure document is reviewed and updated to take account of all of the recommendations within this report.</p> <ul style="list-style-type: none"> <li>For example, it should include a scheme of delegation, to formally record the Acting Headteacher's financial limits for expenditure and budget virements, together with any other members of staff who can commit the School to expenditure.</li> </ul> <p>Once updated, the Procedure should be presented to the Governing Body for ratification.</p>	<p>A revised document will be presented to the Finance and Buildings Committee and then the Governing Body.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Since the last review, the School have reviewed their Financial Procedures document and presented it to the Governing Body on the 19<sup>th</sup> December 2017.</p> <p>However, a review of this document revealed that it contains only basic details of the roles / responsibilities of individual staff involved in the School's areas of financial administration.</p>	<p>Agreed.</p> <p>An updated Financial Procedures document will include all system processes highlighting individual staff responsibilities with regard to financial administration.</p> <p>Approval will then be sought by the Governing Body.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Autumn Term 2017</p>		<p>The Financial Procedures should be enhanced to define system processes and the individual staff responsibilities within them across all areas of the School's financial administration.</p> <p>Once completed, the Procedures should again be presented to the Governing Body for approval and issued to all appropriate members of staff.</p> <p>NB: Any revision to the Policy should take into account recommendations raised elsewhere in this report.</p>	<p>Headteacher &amp; School Business Manager</p> <p>November 2018</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.2.2</b></p> <p><b>Low</b></p>	<p>Examination of the Governing Body structure revealed that there is currently 1 parent governor vacancy. At the time of the audit review, the School were in the process of attempting to fill this vacancy.</p> <p>It is acknowledged that, to date, this has not had a detrimental effect on meetings being able to be quorate etc.</p>	<p>The School continue to endeavour to fill the Governor vacancy as soon as possible.</p>	<p>Actioned.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented with no Governor vacancies at the time of review.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.2.3</b> <b>Medium</b></p>	<p>Attendance registers for Governing Body and Sub-Committee meetings are not always completed and retained.</p>	<p>It should be ensured that Governors sign the attendance registers for all Governing Body and Sub-Committee meetings, with these being retained at the School.</p>	<p>Agreed and usually undertaken.</p>	<p>Confirmed to have been implemented.  Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented, with attendance registers for meetings now all completed and retained.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Clerk to the Governing Body  Implemented</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.2.4</b> <b>High</b></p>	<p>Whilst the School was able to provide copies of all required Policies and Procedures, it was not able to demonstrate that they are reviewed regularly, updated and ratified by the Governing Body.</p> <p>For example, the School's Staff Disciplinary Policy was dated September 2013, and was ratified by the Governing Body in March 2014. It has not been subject to review since this date.</p>	<p>The Acting Headteacher should collate a schedule of all Policies and Procedures that are in place at the School and ensure that they are all reviewed in a timely manner, and following review, they must be presented to the Governing Body for ratification.</p> <p>The School should implement a Policy review process and this could be incorporated into the Safeguarding Policy.</p>	<p>A new system has been introduced with all policies being reviewed and updated. This includes delegation to sub committees and link governors prior to ratification by the Full Governing Body.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing confirmed that the recommendation has been implemented, with all Policies and Procedures reviewed and in place.</p>	<p>Not required as original recommendation implemented.</p>
		ORIGINAL RESPONSIBILITY & TARGET DATE			UPDATED RESPONSIBILITY & TARGET DATE
		<p>Acting Headteacher</p> <p>SLT</p> <p>GB Committees</p> <p>Link Governors</p> <p>Autumn Term 2017</p>			<p>Not Applicable.</p> <p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
5.2.5 High	<p>Section 2.9 of the Scheme for Financing Schools states that:</p> <p><i>'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'.</i></p> <p>Internal Audit testing confirmed that no declarations were present for 7 Governors and the declaration in respect of another Governor had not been dated.</p>	<p>Declarations for all Governors should be obtained immediately.</p> <p>Moving forward, the School should ensure that the register of declarations is a 'live' document and updated as and when required.</p>	<p>Register Being Updated with absent governors being chased up.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented with a Register of Business Interests available for all current Governors.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Clerk to the Governing Body</p> <p>31<sup>st</sup> October 2017</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

## 5.3

## SCHOOL INCOME

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.3.1</b> <b>High</b></p>	<p>The School has recently adopted a new arrangement in respect of how users of facilities can hire them.</p> <p>The OpenPlay system is an on-line system that allows the public to book the hire directly, with the intention being that invoices will be produced directly from the system for payment, or hirers can pay online using their debit/credit card. These online payments, will then be forwarded by OpenPlay to the School.</p> <p>Prior to adopting the new system, the school failed to consider the following controls:</p> <ul style="list-style-type: none"> <li>• All hires need to be formally authorised by the Headteacher.</li> <li>• Hirers need to sign the Booking Form and agree with the School's Terms &amp; Conditions of hire. If these documents are only available online, this is not possible.</li> <li>• In the event that a member of public does not wish to use the on-line tool, staff have indicated that they could either ring up or go to the School. Staff suggested they intend on taking personal and payment card details off hirers and manually input them on to OpenPlay on their behalf.</li> </ul> <p style="text-align: right;"><b>(CONTINUED)</b></p>	<p>The Acting Headteacher should ensure that all bookings are processed in accordance with the requirements contained within the Hire Procedures.</p> <p>For example, for all bookings, it must be evidenced that:</p> <ul style="list-style-type: none"> <li>• The acting Headteacher has approved them.</li> <li>• Hirers have formally accepted the School's Terms &amp; Conditions.</li> <li>• No payment card transactions should be administered by staff, on behalf of hirers.</li> </ul> <p>Processes need to put into place to ensure all income collected via OpenPlay are input on to SIMS as and when it is collected, to ensure SIMS is accurately maintained.</p> <p>The revised instructions / guidance should be put into place with immediate effect.</p> <div style="background-color: #800000; color: white; text-align: center; padding: 5px;"><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></div> <p style="text-align: center;">Acting Headteacher</p> <p style="text-align: center;">Business/Site Manager</p> <p style="text-align: center;">31<sup>st</sup> October 2017</p>	<p>This is a newly introduced system aimed to improve the ease and efficiency of the school lettings the workload for which has grown significantly due to the new facilities created by the new development.</p> <p>At the time of the audit work was in progress aimed at achieving the procedures and controls herein recommended.</p> <p>Updated procedures which incorporate these recommendations will be presented to the Finance and Buildings Committee.</p>	<p>Confirmed to have not been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and partially implemented when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>The School continue to use OpenPlay, which is an on-line system that allows the public to book the hire directly, with the intention being that invoices will be produced directly from the system for payment, or hirers can pay online using their debit/credit card. These online payments are then forwarded by OpenPlay to the School.</p> <p>Since September 2017, £27,098.00 has been collected in respect of hire of facilities. At the time of review, there were 12 invoices outstanding over 21 days old amounting to £1,781.00.</p> <p style="text-align: right;"><b>(CONTINUED)</b></p>	<p>Agreed.</p> <p>A file to be compiled of all organisations who hire the school and facilities including:</p> <ul style="list-style-type: none"> <li>• Signed authorisation by the Headteacher</li> <li>• School's terms of the letting signed by organisation</li> <li>• Insurance and other documentation of organisation</li> </ul> <p>Look into an efficient system where invoices raised through OpenPlay are copied to Business Manager who can then chase up. Will review use of FMS Accounts Receivable.</p> <p style="text-align: right;"><i>[Flexibility must be maintained for organisations]</i></p>

REF & PRIORITY	ORIGINAL FINDING	OUTCOME OF THE FOLLOW-UP AUDIT	UPDATED RESPONSIBILITY & TARGET DATE
Continued	<p>However, this is not permitted in accordance with the requirements of the Payment Card Industry (PCI).</p> <ul style="list-style-type: none"> <li>The School's Standard Terms &amp; Conditions have not been updated to reflect the new on-line arrangement.</li> <li>There is no link from OpenPlay to SIMS, so SIMS would need to be updated with invoices raised and also payments received as and when they occur.</li> <li>The ability to check for VAT exemption for block bookings has not been fully considered.</li> <li>There is uncertainty in respect of how the School could manage discounts that they offer.</li> </ul>	<p>However, discussions with the Clerical Assistant identified that as soon as any cash/cheque income is received, the OpenPlay system is updated accordingly with details of the income, with the cash / cheques then passed for banking.</p> <p>However, for all other means of payment, i.e. direct payments via the bank, OpenPlay cannot be updated until the School Business Manager provides notification of these amounts once the Bank Reconciliation exercise has been undertaken, which can be a delay of up to 6 weeks.</p> <p>It was identified that all income received in respect of the hire of facilities is entered onto SIMS as non-invoiced income as invoices are not being raised on SIMS (see 5.3.5).</p> <p>In addition, the following was found: -</p> <ul style="list-style-type: none"> <li>There are no formal booking forms (an email confirmation of the booking is issued to the hirer instead)</li> <li>Hires are not formally authorised by the Headteacher</li> <li>Hirers do not sign any agreement/booking form</li> <li>There are no Terms and Conditions for the hire, including payment terms, and arrears procedures.</li> <li>Details of Public Liability Insurance are not being requested</li> <li>VAT exemption forms had been issued to 18 hirers. From these 18 users, only 7 forms have been returned, whilst only 2 have actually been signed. Additionally, from a sample of 12 users, 11 have not been charged VAT</li> </ul> <p style="text-align: center;"><b>UPDATED RECOMMENDATION</b></p> <p>Management should ensure that the hire of facilities is administered appropriately.</p> <p>This should include: -</p> <ul style="list-style-type: none"> <li>Booking forms should be updated to capture all required details for future requests for hire including the Terms and Conditions of hire, Public Liability Insurances, evidence required from affiliated groups for VAT exemptions etc. These booking forms should also be signed by the hirers.</li> <li>All bookings should be authorised by the Headteacher before the hire commences.</li> <li>Processes need to be put in place to ensure all income collected via OpenPlay is input on to SIMS as and when it is collected to ensure SIMS is accurately maintained.</li> </ul> <p>The revised instructions / guidance should be put into place with immediate effect.</p>	<p>Headteacher, School Business Manager &amp; Estates and Lettings Manager</p> <p>January 2019</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.3.2</b> <b>High</b></p>	<p>The School has a Charging Policy, which was last updated March 2016.</p> <p>Whilst the Policy contains details of hires and costs, the costs included do not match the current rates charged or refer to discounts that are offered by the School.</p> <p>Additionally, it does not contain any detail about the OpenPlay online booking system that the School have introduced, and also no reference to the School policy in relation to arrears.</p>	<p>The School's Charging Policy should be reviewed and updated to ensure it reflects current hire and chargeable activities. Costs in relation to these should be included as well as documenting the processes for dealing with arrears. Additionally, it should include details regarding the OpenPlay booking system that the School have introduced.</p> <p>The Policy should be presented to the Governing Body for endorsement, with a frequency of future review determined.</p>	<p>An updated policy which incorporates these recommendations will be presented to the Finance and Buildings Committee.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented, with the Charging Policy reviewed and updated appropriately.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>31<sup>st</sup> October 2017</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
5.3.3 High	<p>At the time of the fieldwork for this review, the Business Manager was responsible for:</p> <ul style="list-style-type: none"> <li>Raising all invoices</li> <li>Updating income onto SIMS</li> <li>Undertaking the bank reconciliation.</li> </ul> <p>The current arrangements do not demonstrate an appropriate segregation of duties.</p> <p>In addition to the above control issues:</p> <ul style="list-style-type: none"> <li>Income had not been updated to SIMS since 28<sup>th</sup> April 2017 and;</li> <li>A bank reconciliation had not been undertaken since 29<sup>th</sup> April 2017.</li> </ul>	<p>The Acting Headteacher should ensure that an appropriate segregation of duties is put in place in respect of raising invoices, updating SIMS and undertaking any subsequent bank reconciliation process.</p> <p>Thereafter, updating SIMS and undertaking a bank reconciliation should be completed in a timely manner.</p>	<p>The significant increase in workload associated with the whole school move meant that working practices were temporarily modified, hence the segregation of duties compromise and delays. It has always been the intent to act in a timely manner.</p> <p>The Business Manager no longer raises invoices.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>The Clerical Assistant now raises all invoices, while the School Business Manager matches the income collected, updates the income onto SIMS and undertakes the bank reconciliation.</p> <p>The current arrangements still do not demonstrate an appropriate segregation of duties.</p> <p>In addition to the above control issues, the School Business Manager confirmed he does not update SIMS until receipt of bank statements and his subsequent bank reconciliation. As a consequence, SIMS is not up to date as and when income is collected and banked.</p>	<p>Agreed.</p> <p>Move to a working practice where income is inputted onto FMS as and when it is received.</p>
		<b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b>	<b>UPDATED RECOMMENDATION</b>	<b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b>	
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>31<sup>st</sup> October 2017</p>	<p>Management should ensure that an appropriate segregation of duties is put in place in respect of raising invoices, updating SIMS and undertaking any subsequent bank reconciliation process.</p> <p>Thereafter, SIMS should be updated when income is collected and banked and the subsequent bank reconciliation process completed in a timely manner.</p>	<p>Headteacher &amp; School Business Manager</p> <p>December 2018</p>	

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
5.3.4 High	Whilst it was confirmed that a central Record of Daily Income is maintained, the two members of staff involved in the handling of the income do not sign to confirm the amounts involved.	When income is collected by staff and transferred to the office to be counted and banked, the Record of Daily Income should be supported by the signatures of the two persons involved in receiving and counting.	To be actioned.  The introduction in September 2017 of on-line payments via the RCT Civica E-Store for all school business will reduce the amount of cash/cheque handling.	Confirmed to have not been implemented.  Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has not been implemented.	Agreed.  Income receiving process to be reviewed to ensure that two signatures are given. However a very limited amount of income is received in cash since the introduction of online payments.
		<b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b>		<b>UPDATED RECOMMENDATION</b>	<b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b>
		Acting Headteacher  Business/Site Manager  31 <sup>st</sup> October 2017		When income is collected by staff and transferred to the office to be counted and banked, the Record of Daily Income should be supported by the signatures of the two persons involved in receiving and counting.	School Business Manager  January 2019

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.3.5</b> <b>High</b></p>	<p>The School are not using the SIMS invoicing facility when issuing requests for monies owed.</p> <p>The School have their own invoice template. Invoices do not include the Council's VAT number and are not signed as authorised by the Acting Headteacher.</p>	<p>The invoicing facility within SIMS should be used, which will alleviate the need for manual invoices to be produced and allow income received to be directly matched to the respective invoice.</p> <p>All invoices (including the copy retained at the School) should be authorised by the Acting Headteacher.</p>	<p>Not Agreed. The invoicing module is unsatisfactory and lacks flexibility to manage multiple lettings. The Open Play system (see 5.3.1) will be used to raise the invoices which will be signed by the Acting Headteacher.</p>	<p>Confirmed to have not been implemented.</p> <p>Management indicated this recommendation had not been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has not been implemented, as the School and the Governing Body have determined that raising invoices using the Schools main accounting system is not necessary.</p> <p>It is accepted that the invoices used now include the Council's VAT number and that payment must be made within 21 days.</p>	<p>Not Agreed.</p> <p>The FMS Accounts receivable is unsatisfactory in the management of multiple lettings; however the new Business Manager will review after receiving further FMS training.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>N/A</p>		<p>The invoicing facility within SIMS should be used, which will alleviate the need for manual invoices to be produced and allow income received to be directly matched to the respective invoice.</p> <p>All invoices (including the copy retained at the School) should be authorised by the Acting Headteacher.</p>	<p>N/A</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE	
5.3.6 Medium	<p>The School sell uniform to pupils/parents. To administer this, the School utilise the PTA, whereby, on a weekly basis members of the PTA open the uniform 'shop' and pupils/parents can purchase School uniform from them, with the income collected then passed to School staff for banking the following day.</p> <p>It was established that whilst all expenditure/income in relation to School uniform is for the School budget, members of the PTA are formally signing School orders to purchase School uniform.</p> <p>Additionally, whilst a list of daily sales and income is provided to the office by the PTA confirming what was sold, VAT is not always recorded correctly on these 'returns'.</p>	<p>Whilst it is accepted that the PTA can continue to help in the sale of School uniform, the School needs to ensure a member of School staff authorises the orders for 'stock'.</p>	<p>Stock orders to be authorised by the Business/Site Manager who will also check the income records to ensure that VAT is recorded correctly.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p>	<p>Agreed.</p> <p>PTA suggest orders that are needed, they are authorised by the Headteacher and then placed by the school clerk.</p>	
		<p>An appropriate audit trail in respect of VAT should be kept.</p>		<p>It was established that whilst all expenditure/income in relation to School uniform is for the School budget, members of the PTA continue to formally place orders to purchase School uniform, although it is accepted that the invoice for payment is now being signed by the Headteacher after receipt of the goods.</p>	<p>UPDATED RECOMMENDATION</p>	<p>UPDATED RESPONSIBILITY &amp; TARGET DATE</p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>31<sup>st</sup> October 2017</p>		<p>Whilst it is accepted that the PTA can continue to help in the sale of School uniform, the School needs to ensure a members of School staff place and authorises the orders for 'stock', and commit the School's budget to the expenditure.</p>	<p>Headteacher</p> <p>Implemented</p>	

5.4 SCHOOL PRIVATE FUND

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	
<p><b>5.4.1</b></p> <p><b>Medium</b></p>	<p>Two members of staff are currently involved in the administration of the Private Fund.</p> <p>One member of staff collects the income on a daily basis, inputs the amounts on to Record of Daily Income, an Excel spreadsheet and other records. Then, at the end of each day, this income is passed to another member of staff who counts the income and inputs the amounts to a different Excel spreadsheet. She also pays any invoices in relation to the Private Fund.</p> <p>At the end of each week, the daily amounts collected are passed back to the original member of staff who once again counts the income prior to the income being banked.</p> <p>There was no rationale as to why the Private Fund is administered by two staff, with each duplicating the work of the other.</p>	<p>The School should clarify the responsibilities in respect of the income collected for the School Private Fund.</p> <p>This will help ensure consistent processes are maintained and eliminate any unnecessary duplication of work.</p>	<p>Responsibilities to be clarified and reported to the School Fund Management Committee.</p> <p>The introduction in September 2017 of on-line payments via the RCT Civica E-Store for all school business will reduce the amount of cash/cheque handling.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented.</p> <p>Discussions at the school established that since the last review processes have been altered in relation to the fund.</p> <p>The Fund Secretary collects all income and updates the Excel daily income record, along with updating each trip record that the income is in relation to. The majority of income for the fund is now online payments.</p> <p>In respect of expenditure, the Fund Treasurer administers all payments.</p>	
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>	<p><b>UPDATED RECOMMENDATION</b></p>		<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>School Fund Treasurer</p> <p>31<sup>st</sup> October 2017</p>	<p>Not Applicable.</p>		<p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.2</b></p> <p><b>Medium</b></p>	<p>The entries in respect of School Private Fund income / expenditure should allow for prompt reconciliation within each financial period.</p> <p>Whilst a Ledger in the form of an excel spreadsheet has been introduced at the School, it does not follow the expected format:</p> <ul style="list-style-type: none"> <li>Income and Expenditure transactions are recorded on separate sheets.</li> <li>There is no running balance recorded.</li> </ul>	<p>The School Private Fund ledger should contain details of all income and expenditure transactions on the same page to provide a meaningful analysis of accounts, and a running balance for reconciliation to the bank statements. Appendix 2 of the School Private Fund Regulations provides notes of guidance for the completion of ledgers and a suggested format is included at Appendix 4 of these Regulations.</p>	<p>Systems to be revised to ensure compliance with the regulations.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Examinations established that Income and Expenditure transactions continue to be recorded on separate excel spreadsheets by the Fund Treasurer.</p> <p>Discussions with the School Business Manager identified that an alternative Ledger has been created, which is in an appropriate format to include all income, expenditure and running balances.</p> <p>However, this Ledger had not been updated since the 15th November 2017. Additionally, the Fund Treasurer was not aware it had been created for use.</p>	<p>Agreed.</p> <p>Spreadsheet has been introduced which the Business Manager will amend in order to ensure compliance with School Private Fund Regulations.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>School Fund Treasurer</p> <p>31<sup>st</sup> October 2017</p>		<p>The School Private Fund ledger should contain details of all income and expenditure transactions on the same page to provide a meaningful analysis of accounts, and a running balance for reconciliation to the bank statements.</p> <p>Appendix 2 of the School Private Fund Regulations provides notes of guidance for the completion of ledgers and a suggested format is included at Appendix 4 of these Regulations.</p> <p>The Fund Treasurer should be made aware of their responsibilities going forward.</p>	<p>Headteacher &amp; Fund Treasurer</p> <p>January 2019</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.3</b> <b>Medium</b></p>	<p>Whilst there is a central record of daily income maintained at the School, it was established that:</p> <ol style="list-style-type: none"> <li>This record is used to record income received in respect of both the School Private Fund and School Budget Account.</li> <li>Only one signature is provided on this record as evidence of the amounts collected.</li> </ol>	<p>A separate Record of Daily Income should be maintained by the School for the Private Fund and School Budget Account.</p> <p>This form should be completed as and when the Treasurer receives any income, and supported by the signatures of the two persons involved.</p> <p>The same process should be followed by the person responsible for receipting School income although a separate Record of Daily Income should be maintained.</p> <p>When income is subsequently banked the amounts should be totalled and ruled off.</p> <p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p> <p>Acting Headteacher Business/Site Manager School Fund Treasurer 31<sup>st</sup> October 2017</p>	<p>Systems to be revised to ensure compliance with the regulations.</p>	<p>Confirmed to have been partially implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented, with Private Fund and School Budget income now administered separately.</p> <p>However, whilst there is a central record of daily income maintained at the School, it was established that:</p> <ul style="list-style-type: none"> <li>It is not being updated as and when income is collected.</li> <li>No signatures are provided on this record as evidence of the amounts collected, as it is on Excel.</li> </ul> <p>Additionally, whilst a receipt book is available to be used to issue receipts to people who are handing money over to the office staff, examination of the receipt booked showed that it is not used.</p> <p><b>UPDATED RECOMMENDATION</b></p> <p>The Record of Daily Income should be completed as and when the Fund Secretary receives any income, and supported by the signatures of the two persons involved.</p>	<p>Agreed.</p> <p>The school will attempt to implement a system where staff update the Record of Daily Income as money is received however it is not always possible for staff to stop their other duties in order to update the Record immediately.</p> <p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p> <p>Fund Treasurer December 2018</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.4</b> <b>High</b></p>	<p>One of the fund auditors is the Business Manager, who has direct line management of the staff involved in the day to day running of the Private Fund. As a consequence, it is deemed that the Business Manager is not sufficiently independent of the running of the Private Fund.</p> <p>Additionally, from discussions with the Business Manager, it was established that whilst the Private Fund has another auditor appointed, the auditor does not undertake the appropriate checks as required and highlighted within the Private Fund Regulations.</p>	<p>The School should appoint an alternative auditor for the School Private Fund who is independent of the administration of the account.</p> <p>Additionally, the School needs to ensure the second auditor undertakes the full requirements of the auditor role, or look to appoint a new auditor.</p> <p>A copy of the School Private Fund Regulations should be provided to the auditors to ensure they are fully aware of their roles.</p>	<p>New Auditors Appointed.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented.</p> <p>Discussions at the School established that two new auditors have been appointed since the last review, and they undertake the full requirements of the auditor role.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Finance and Buildings Committee Implemented</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.5</b> <b>Medium</b></p>	<p>The Annual Statement in respect of the School Private Fund was presented to the Governing Body in Autumn 2016, prior to the accounts being audited by the Fund Auditors.</p> <p>In addition, the deadline for the submission of the Private Fund Annual Statement to Education Finance was the 31st December 2016. The Annual Statement for the year ending 31st August 2016 was not returned until 27th February 2017.</p>	<p>It should be ensured that the Fund Auditors have audited the account prior to them being presented to the Governing Body.</p> <p>The Private Fund Annual Statement should be submitted to Education Finance within the timescales required.</p>	<p>This was an exceptional occurrence due to the whole school move and will not be repeated.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Whilst it is accepted that the Summary of Accounts Certificate had been submitted to Education Finance and presented to the School Finance Committee prior to the 31st December deadline, it was not presented to the Full Governing Body until the 14th February 2018.</p> <p>Additionally, the Summary Breakdown on the Certificate was incomplete.</p>	<p>Agreed.</p> <p>It will be ensured that the Annual Summary of Accounts for 2017/18 are presented to the full Governing Body in the next meeting to be held on 14<sup>th</sup> November 2018.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Treasurer to School Private Fund</p> <p>Implemented</p>		<p>A fully completed Annual Summary of Accounts Certificate should be presented to the School's Full Governing Body prior to submission to Education Finance.</p>	<p>Headteacher &amp; School Business Manager</p> <p>November 2018</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.6</b></p> <p><b>High</b></p>	<p>At the time of the Audit review, there were 8 pre-signed cheques present in the chequebook.</p> <p>It was established that only one of the three named cheque signatories on the account is presently in School, restricting the School's ability to process cheque payments.</p> <p>The School have notified the bank of a new panel of signatories, but were awaiting the bank to authorise these.</p>	<p>The practice of pre-signing a 'stock' of cheques should cease with immediate effect.</p> <p>The School should enquire with the bank as to when the new signatories can be used.</p>	<p>This was an exceptional action covering the period between the resignation of the treasurer and changing of signatories to the bank account.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented, with no pre-signed cheques present.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Treasurer to School Private Fund</p> <p>Implemented</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.7</b></p> <p><b>High</b></p>	<p>Examination of the Private Fund bank statements revealed that whilst there were some evidence of reconciliation i.e. some transactions were ticked, there was no rationale to the process and no signatures and dates to confirm who undertook any checks.</p> <p>The Business Manager stated that no formal Bank reconciliation exercise is undertaken.</p>	<p>Bank statements should be reconciled to the fund ledger by an independent person.</p> <p>The statements should be signed and dated by the person carrying out the reconciliation as evidence of when and by whom this was carried out.</p>	<p>Reconciliation to be undertaken by the Business/Site Manager.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>The Fund Treasurer now undertakes the bank reconciliation of the Private Fund.</p> <p>However, this person also administers the expenditure and undertakes the bankings on a day to day basis, and is therefore not considered independent. Additionally, discussions established that this reconciliation is undertaken by checking the bank statements to income and expenditure records maintained by the Treasurer and not to the Fund Ledger (which is not up to date as found in 5.4.2)</p> <p>Additionally, following the previous audit review, the school opened a new Private Fund account so that weekly Loomis cash collections can take place. However, the school are yet to close the 2 old bank accounts.</p>	<p>Agreed.</p> <p>Closure of the 2 old bank accounts will be carried out with all money transferred.</p> <p>Business Manager to carry out Bank Reconciliation and sign on completion.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Treasurer to School Private Fund</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>Bank statements should be reconciled to the Fund Ledger by an independent person.</p> <p>The statements should be signed and dated by the person carrying out the reconciliation as evidence of when and by whom this was carried out.</p> <p>The school also need to close the 2 old bank accounts and transfer the balances into the new account.</p>	<p>Headteacher &amp; School Business Manager</p> <p>January 2019</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.4.8</b></p> <p><b>High</b></p>	<p>Records were requested for the Prague &amp; Italy trips.</p> <p>Both sets of records were poorly maintained and did not provide the Auditor with sufficient information in respect of income and expenditure.</p> <p>The Business Manager indicated that it is the responsibility of the Fund Treasurer to maintain records for trip income, however it is for the trip organisers to maintain and retain all other information.</p> <p>In addition, section 9.1 of the School Private Fund Regulations states that:</p> <p><i>'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 which must be reconciled to the ledger'.</i></p> <p style="text-align: right;"><b>(CONTINUED)</b></p>	<p>The Acting Headteacher should ensure consistent practices are in place in relation to School trips, and all documentation retained and readily available.</p> <p>The Acting Headteacher should implement a Trip Information Pack which would include standard documentation upon which details of income received / expenditure incurred can be recorded.</p> <p>The pack should be provided to all staff at the planning stage of each trip with guidelines for them to strictly adhere to.</p> <p>A statement of account should be prepared detailing income received and expenditure incurred at the conclusion of each trip and passed to the Fund Treasurer for retention.</p> <p>The statement should be signed and dated by the Trip organiser as confirmation of the amounts involved.</p> <p>These records should be passed to the Treasurer at the conclusion of the trip and retained with the fund documentation for a period of six years.</p>	<p>Whilst there is a trip information pack available to staff in the school on-line handbook outlining the actions required as per these recommendations, adherence to the procedures included has been variable.</p> <p>Staff training is planned designed to ensure compliance to the School Private Fund Regulations.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and partially implemented when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Trip Records were requested for three trips. It was again found that Trip Organiser and Office records were poorly maintained and did not provide the Auditor with sufficient information in respect of income and expenditure.</p> <p>The following issues were found for each trip examined:</p> <p>-</p> <p><b><u>Trip 1 25/1/2018</u></b></p> <p>A Statement of Account has been completed, however, it is inaccurate.</p> <p>The income recorded on the Statement of Account is £170, however the Fund Treasurer had only received and banked £120 (as per the income record). The Treasurer couldn't explain the anomaly, however it was later discovered that the Trip Organiser still had £50 in the classroom to be banked, even though the trip had already taken place and the Statement of Account completed.</p> <p>Additionally, the Statement of Account states expenditure was £120, which was for a bus. However, there is a receipt attached to the records for £57.98 for items purchased on the trip, but this is not recorded on the Statement of Account.</p> <p style="text-align: right;"><b>(CONTINUED)</b></p>	<p>Agreed.</p> <p>A staff checklist with regard to good practice to be prepared and sent to all staff by Business Manager outlining requirements.</p> <p>Staff to ensure that all costs are covered by pupil contributions and any additional money left in the private fund due to over-calculation is returned equally to each pupil where possible.</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	RESPONSIBILITY & TARGET DATE	OUTCOME OF THE FOLLOW-UP AUDIT	UPDATED RESPONSIBILITY & TARGET DATE
Continued	The Fund Treasurer stated that Statements of Account are not routinely prepared at the conclusion of any School trip.			<p><b><u>Trip 2 1/12/2017</u></b></p> <p>No Statement of Account available.</p> <p>Income collected was £2,100 and expenditure of £1,992.82, a profit of £107.18. This profit remains within the Fund account, with no refunds offered to the 18 pupils who attended.</p> <p><b><u>Trip 3 1/12/2017</u></b></p> <p>No Statement of Account available.</p> <p>Income collected was £1,006 and expenditure of £1,160.45, a loss of £154.45.</p>	Headteacher, All Staff & Fund Treasurer  December 2018
		<p align="center"><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>	<p align="center"><b>UPDATED RECOMMENDATION</b></p>		
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Treasurer to School Private Fund</p> <p>31<sup>st</sup> December 2017</p>	<p>Management should ensure consistent practices are in place in relation to School trips, and all documentation retained and readily available.</p> <p>A Statement of Account should be prepared detailing income received and expenditure incurred at the conclusion of each trip and passed to the Fund Treasurer for retention. The statement should be signed and dated by the Trip organiser as confirmation of the amounts involved.</p> <p>Trips must not make losses or be operated as profit making ventures.</p> <p>The school should review all trips over a determined period of time and where a trip has been operated and makes a profit, e.g. as a result of the over-calculation of the trip price or interest earned on these monies, the balance must either:-</p> <p>i) be divided equally and paid back to each paying pupil,</p> <p>or;</p> <p>ii) be retained by the private fund, providing that consent of the parents has been given.</p>		

5.5 PURCHASE CARD

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p>5.5.1 High</p>	<p>Section 6 of the Cardholder Manual for Schools issued by 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 has two purchase cards. Despite assurance given during previous reviews that the transaction logs for both Purchase Cards would be implemented, it was established that they have not been.</p>	<p>Transaction Logs should be introduced for each of the Purchase Cards held at the School.</p> <p>All transactions should be promptly updated onto the Logs as and when they occur.</p>	<p>2 files have been maintained which contain:</p> <p>Paperwork relating to order/purchases made using the cards – pre-entry on SIMS.</p> <p>Paperwork transferred when SIMS is updated on receipt of the bank statement.</p> <p>As outlined at the audit visit a separate transaction log was being maintained but was temporarily suspended due to the high additional workload involved in the whole school move.</p> <p>This has now been revived.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Despite assurance given that the transaction logs for both Purchase Cards would be implemented, it was established that they have not been, with only one in place for one of the cards. Examination of this log also showed that it is not accurately being updated as and when transactions occur.</p>	<p>Agreed.</p> <p>Transaction logs have been introduced and are being kept up to date by the Business Manager.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher Business/Site Manager  Implemented</p>		<p>Transaction Logs should be introduced for each of the Purchase Cards held at the School.</p> <p>All transactions should be promptly updated onto the Logs as and when they occur.</p>	<p>Headteacher &amp; Purchase Card Holders  Implemented</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE																																																																					
<p><b>5.5.2</b></p> <p><b>High</b></p>	<p>For a sample of transactions relating to both Purchase Cards, a sample of purchases were examined and receipts could not be located to support the following:</p> <p>-</p> <table border="1" data-bbox="349 456 920 735"> <thead> <tr> <th colspan="3">DT</th> </tr> <tr> <th>Date</th> <th>Transaction Description</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>26/04/2016</td> <td>Makro</td> <td>£59.69</td> </tr> <tr> <td>13/09/2016</td> <td>The Flower Pot</td> <td>£28.50</td> </tr> <tr> <td>21/10/2016</td> <td>www.printertree.co.uk</td> <td>£96.00</td> </tr> <tr> <td>02/02/2017</td> <td>M&amp;S</td> <td>£51.00</td> </tr> <tr> <td>09/03/2017</td> <td>Flower power</td> <td>£33.00</td> </tr> <tr> <td colspan="2"></td> <td><b>£268.19</b></td> </tr> </tbody> </table> <table border="1" data-bbox="349 746 920 1366"> <thead> <tr> <th colspan="3">AG</th> </tr> <tr> <th>Date</th> <th>Transaction Description</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>26/04/2016</td> <td>Hostels Amenta S.L.</td> <td>£671.25</td> </tr> <tr> <td>26/05/2016</td> <td>The Flowerpot</td> <td>£25.00</td> </tr> <tr> <td>05/07/2016</td> <td>Travelex Uk Ltd</td> <td>£1,040.22</td> </tr> <tr> <td>16/09/2016</td> <td>www.glee.co.uk</td> <td>£227.50</td> </tr> <tr> <td>04/10/2016</td> <td>The old vic moto</td> <td>£350.50</td> </tr> <tr> <td>03/11/2016</td> <td>Cadbury World Retail</td> <td>£250.90</td> </tr> <tr> <td>13/12/2016</td> <td>Poundland</td> <td>£53.00</td> </tr> <tr> <td>14/12/2016</td> <td>Crabtree &amp; Evelyn</td> <td>£38.00</td> </tr> <tr> <td>17/02/2017</td> <td>vueling airlines</td> <td>£42.19</td> </tr> <tr> <td>13/12/2016</td> <td>Poundland</td> <td>£53.00</td> </tr> <tr> <td>14/12/2016</td> <td>Crabtree &amp; Evelyn</td> <td>£38.00</td> </tr> <tr> <td>17/02/2017</td> <td>vueling airlines</td> <td>£42.19</td> </tr> <tr> <td colspan="2"></td> <td><b>£2,831.75</b></td> </tr> </tbody> </table>	DT			Date	Transaction Description	£	26/04/2016	Makro	£59.69	13/09/2016	The Flower Pot	£28.50	21/10/2016	www.printertree.co.uk	£96.00	02/02/2017	M&S	£51.00	09/03/2017	Flower power	£33.00			<b>£268.19</b>	AG			Date	Transaction Description	£	26/04/2016	Hostels Amenta S.L.	£671.25	26/05/2016	The Flowerpot	£25.00	05/07/2016	Travelex Uk Ltd	£1,040.22	16/09/2016	www.glee.co.uk	£227.50	04/10/2016	The old vic moto	£350.50	03/11/2016	Cadbury World Retail	£250.90	13/12/2016	Poundland	£53.00	14/12/2016	Crabtree & Evelyn	£38.00	17/02/2017	vueling airlines	£42.19	13/12/2016	Poundland	£53.00	14/12/2016	Crabtree & Evelyn	£38.00	17/02/2017	vueling airlines	£42.19			<b>£2,831.75</b>	<p>It should be ensured that receipts/invoices are retained for all purchases. Where a receipt is not obtained, an expenditure without receipt form should be completed.</p>	<p>The high additional workload work involved in the whole school move meant that copies were not centralised into primary purchasing card file.</p> <p>Copies will be centralised henceforth.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>For a sample of transactions relating to both Purchase Cards, a sample of purchases were examined and receipts could not be located to support the following: -</p> <p><b>AG Card</b></p> <ul style="list-style-type: none"> <li>• 30/11/17 - Pizza Express - £200</li> <li>• 20/11/17 - Cartridge Save - £45.53</li> </ul>	<p>Agreed.</p> <p>There is now only one purchasing card and all receipts, invoices and other information concerning the transaction is kept. If a situation arose that there was no receipt then an 'Expenditure without Receipt' form is completed and signed.</p>
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<p><b>5.5.3</b></p> <p><b>High</b></p>	<p>Examination of the Purchase Card expenditure for the 2016/17 financial year identified the following instances of expenditure amounting to £1,272.78 which are deemed inappropriate/unnecessary.</p>	<p>Purchases such as those identified should, in future, be avoided.</p> <p>All potential expenditure should be subject to challenge by the Acting Headteacher to ensure that the School can demonstrate value for money and that funds have been utilised in a prudent manner, taking into consideration the Schools deficit budget.</p> <p>Purchases such as flowers for gifts would be more suitably financed by a staff collection.</p>	<p>This is noted and will be avoided in the future.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented, as it was identified that the cards are being used to purchase alcohol for the Christmas OAP Party (although it is accepted that income had been collected for the Party).</p>	<p>Agreed.</p> <p>This has ceased as a result of the audit.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>The purchasing of alcohol should cease, with it being ensured only purchases appropriate to the school budget are made using the Purchase Cards.</p>	<p>Headteacher &amp; School Business Manager</p> <p>Implemented</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.5.4</b></p> <p><b>High</b></p>	<p>The cardholders confirmed that other members of staff utilise their Purchase Cards.</p> <p>A record of this is not maintained.</p>	<p>A signing in/out record needs to be maintained when other members of staff use the Purchase Cards to provide an audit trail of expenditure and to identify by whom purchases were made.</p>	<p>Actioned.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Whilst there were Signing Out/In sheets for each Purchase Card available at the school, examinations identified that the sheets are not routinely completed.</p> <p>It was also found that the sheets only contain the name, date taken and date returned, and they are being completed by the School Business Manager and not the persons obtaining the cards.</p>	<p>Agreed.</p> <p>A sign out sheet will be maintained by the Business Manager for any member of staff who uses the purchase card.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>It should be ensured that appropriate Signing Out/In sheets for each Purchase Card are always completed when the card is used by any other member of staff other than the cardholder.</p>	<p>Headteacher &amp; School Business Manager</p> <p>Implemented</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.5.5</b></p> <p><b>Medium</b></p>	<p>All purchase card transactions are confirmed via a monthly statement received on the 3rd of each month. In order for SIMS to replicate the School Bank Statement, a cashbook journal should be undertaken on receipt of the Purchase Card Bank Statement.</p> <p>Examinations established that there are delays in the updating of SIMS Cashbook Journals with purchase card transactions. These were: -</p> <p>Date of B/Statement - 3/4/2016 Cashbook Journal - 6/6/2016</p> <p>Date of B/Statement - 3/5/2016 Cashbook Journal - 24/6/2016</p> <p>Date of B/Statement - 3/6/2016 Cashbook Journal - 3/8/2016</p> <p>Date of B/Statement - 3/7/2016 Cashbook Journal - 10/8/2016</p> <p>Date of B/Statement - 3/8/2016 Cashbook Journal - 20/9/2016</p> <p>Date of B/Statement - 3/10/2016 Cashbook Journal - 29/12/2016</p> <p>Date of B/Statement - 3/11/2016 Cashbook Journal - 25/1/2017</p> <p>Date of B/Statement - 3/12/2016 Cashbook Journal - 1/3/2017</p> <p>Date of B/Statement - 3/1/2017 Cashbook Journal - 6/3/2017</p> <p>Date of B/Statement - 3/2/2017 Cashbook Journal - 15/3/2017</p> <p>Date of B/Statement - 3/4/2017 Cashbook Journal - 1/6/2017</p>	<p>It should be ensured that cashbook journals are promptly undertaken on SIMS once the transaction log has been reconciled to the Purchase Card bank statements.</p>	<p>The high additional workload associated with the whole school move meant that some SIMS updates were undertaken late.</p> <p>Every effort will be made to updates SIMS in a timely manner henceforth.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented, with Cashbook Journals now undertaken on a timely basis.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>
		<p>Business/Site Manager</p>			
		<p>Implemented</p>			

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.5.6</b></p> <p><b>Medium</b></p>	<p>Bank statements are received monthly and are retained in the purchase card files.</p> <p>There is evidence on the bank statements of reconciliation, i.e. transactions are numbered to correspond to the receipt (where one is present), notes have been made alongside the transactions and transactions ticked.</p> <p>However, they are not signed and dated as confirmation as to who and when these reconciliations were undertaken.</p>	<p>The bank statements should be signed and dated by the person carrying out the reconciliation as evidence of when and by whom this was carried out.</p>	<p>Noted.</p> <p>This will be actioned henceforth.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented, with all statements now signed to confirm who undertook the reconciliation.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

5.6 PURCHASING

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.6.1</b> <b>High</b></p>	<p>Requisitions are completed and signed by the budget holders, and are taken to office to process. The order is then raised on SIMS. The SIMS orders are then signed by the budget holder.</p> <p>The following issues were noted in respect of the School's purchasing arrangements: -</p> <ul style="list-style-type: none"> <li>• Requisitions are not always completed prior to being raised on SIMS, with an occasion noted whereby the budget holder had not authorised the SIMS order.</li> <li>• Orders are not always raised on SIMS prior to receipt of the subsequent goods/invoices even though a prior request would have been made, and are therefore treated as non-order invoices.</li> <li>• Occasions were identified whereby Delivery Notes showed no evidence of being checked to the order placed and also not signed or dated.</li> <li>• Invoices are not always being signed by an authorised budget holder prior to payment.</li> </ul>	<p>To avoid additional work, invoices for non-orders e.g. utilities, should be paid via the purchase card where possible.</p> <p>If the School is unable to use the purchase card, and a prior request is known for goods / services, an order should be raised on SIMS in the first instance and authorised by the budget holder in accordance with the revised and updated School Financial Procedures as per 5.2.1.</p> <p>If an order was placed via telephone, an order should be raised as soon as possible thereafter.</p> <p>Once the goods / services are received, the delivery note should be checked against the original to order to ensure that the goods received agree to what was originally ordered. The order and delivery note should demonstrate evidence of this check (e.g. items ticked) and the delivery note should be signed and dated by the person undertaking this check.</p>	<p>Agreed</p> <p>Now that the whole school move has settled down these actions will be followed.</p>	<p>Confirmed to have not been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and partially implement when scoping this follow up review. Audit testing has confirmed that the recommendation has not been implemented.</p> <p>The following issues were once again noted in respect of the School's purchasing arrangements: -</p> <ul style="list-style-type: none"> <li>• Requisitions are not always completed prior to being raised on SIMS, with an occasion noted whereby the budget holder had not authorised the SIMS order.</li> <li>• Orders are not always raised on SIMS prior to receipt of the subsequent goods/invoices even though a prior request would have been made, and are therefore treated as non-order invoices.</li> <li>• Invoices are not always being signed by an authorised budget holder prior to payment.</li> <li>• There are a large number of non-order invoices being processed via SIMS, whereby a prior request for purchase would not have been required.</li> </ul>	<p>Agreed.</p> <p>The Business Manager and the School Clerk responsible for orders will undertake a review of which invoices would be best to pay with the purchasing card.</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RESPONSIBILITY & TARGET DATE	UPDATED RECOMMENDATION	UPDATED RESPONSIBILITY & TARGET DATE
<b>Continued</b>	<ul style="list-style-type: none"> <li>There are a large number of non-order invoices being processed via SIMS, whereby a prior request for purchase would not have been required.</li> </ul>	Acting Headteacher  Business/Site Manager  Implemented	<p>To avoid additional work, orders/invoices should be paid for via the purchase card where possible.</p> <p>If the School is unable to use the purchase card and a prior request is known for goods / services, an order should be raised on SIMS in the first instance and authorised by the budget holder in accordance with the revised and updated School Financial Procedures as per 5.2.1.</p> <p>If an order was placed via telephone, an order should be raised as soon as possible thereafter.</p> <p>Once the goods / services are received, the delivery note should be checked against the original order to ensure that the goods received agree to what was originally ordered. The order and delivery note should demonstrate evidence of this check (e.g. items ticked) and the delivery note should be signed and dated by the person undertaking this check.</p>	Headteacher & School Business Manager  January 2019

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.6.2</b></p> <p><b>High</b></p>	<p>The current list of cheque signatories is out of date and includes the previous Headteacher. Additionally, signatories are listed but do not have delegated authority to incur the school to expenditure (refer to 5.2.1).</p>	<p>Subject to the implementation of 5.2.1, the list of approved signatories should be updated.</p> <p>Once the panel of signatories has been updated as required, a copy of the bank mandate should be retained at the School for reference purposes.</p>	<p>Signatories now updated and mandate retained.</p>	<p>Confirmed to have not been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has not been implemented with the current list of cheque signatories continuing to be out of date and still includes the previous Headteacher.</p>	<p>Agreed.</p> <p>A new bank mandate has been sent to RCT which will remove all previous signatories and add the current members of staff who need to be signatories.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>The list of approved signatories should be updated.</p> <p>Once the panel of signatories has been updated as required, a copy of the bank mandate should be retained at the School for reference purposes.</p>	<p>Headteacher &amp; School Business Manager</p> <p>Implemented</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.6.3</b></p> <p><b>Medium</b></p>	<p>A report of outstanding Purchase Orders was obtained from SIMS. This identified a large number of orders outstanding, some dating as far back as July 2016.</p> <p>This review has confirmed that pending orders are not routinely reviewed or chased up by the School. They are only pursued if / when the budget holder queries any outstanding items, or at the end of financial year when trying to balance SIMS.</p>	<p>Pending orders should be reviewed on SIMS on a regular basis and a note made on the copy order to confirm the same. This will allow outstanding orders which are no longer required to be identified at an early stage and corrective action taken.</p>	<p>Agreed</p> <p>Now that the whole school move has settled down these actions will be followed.</p>	<p>Confirmed to have not been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review felt that the current practices in place would be sufficient. Audit testing has confirmed that the recommendation has not been implemented with a large number of purchase orders outstanding, some dating as far back as November 2016.</p> <p>The School Business Manager confirmed that pending orders are not routinely reviewed or chased up by the School, with them only looked at once a year.</p>	<p>Agreed.</p> <p>The Business Manager will liaise with the School Clerks to regularly check the number of pending orders and to review whether they are still required.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>Pending orders should be reviewed on SIMS on a regular basis and a note made on the copy order to confirm the same.</p> <p>This will allow outstanding orders which are no longer required to be identified at an early stage and corrective action taken.</p>	<p>School Business Manager</p> <p>November 2018</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.6.4</b></p> <p><b>Medium</b></p>	<p>There are currently four leases at the School relating to alarms, two minibuses and photocopiers.</p> <p>The Business Manager stated that prior approval was not sought from Education Finance.</p>	<p>Prior to renewing any of these leases, and taking out any future leases, authorisation should be obtained from Education Finance before entering into any formal agreement.</p>	<p>This will be actioned henceforth.</p>	<p>Confirmed to have been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review. Audit testing has confirmed that the recommendation has been implemented.</p>	<p>Not required as original recommendation implemented.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher</p> <p>Business/Site Manager</p> <p>Implemented</p>		<p>Not Applicable.</p>	<p>Not Applicable</p>

5.7 ASSETS

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.7.1</b> <b>Medium</b></p>	<p>The School Inventory was last updated in November 2016. On examination it was established that the inventory was not accurate, with items that were disposed of when the School relocated to the new building still recorded.</p> <p>It was also established that the inventory is not reviewed annually, and is not produced using SIMS as required.</p>	<p>A full inventory should be compiled as soon as possible on SIMS. Thereafter, an annual review should be carried out to ensure that the record is accurate and up-to-date.</p> <p>Any new assets / disposals should be recorded on the inventory as and when they occur, with any disposals authorised by the Acting Headteacher, with evidence of these authorisations retained.</p>	<p>Agreed</p> <p>Work is in progress to update the inventory.</p>	<p>Confirmed to have been partially implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and had not been implemented when scoping this follow up review. However, Audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Whilst progress has been made with details obtained for the Science department and I.T. equipment (and also an original list of items in each room obtained from the contractors for when the new school building opened). However, these are individual documents and need to be reviewed/merged, along with all other areas within the School.</p>	<p>Agreed</p> <p>The Estates Manager will (along with the caretaking staff) compile a School Inventory which will then be reviewed annually.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher Business/Site Manager 31<sup>st</sup> December 2017</p>		<p>A full inventory should be compiled as soon as possible on SIMS. Thereafter, an annual review should be carried out to ensure that the record is accurate and up-to-date.</p> <p>Any new assets / disposals should be recorded on the inventory as and when they occur, with any disposals authorised by the Acting Headteacher, with evidence of these authorisations retained.</p>	<p>Estates Manager March 2019</p>

REF & PRIORITY	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	ORIGINAL MANAGEMENT RESPONSE	OUTCOME OF THE FOLLOW-UP AUDIT	NEW MANAGEMENT RESPONSE
<p><b>5.7.2</b> <b>Medium</b></p>	<p>The School Business Manager confirmed that no log is maintained to document details of the equipment leaving the premises, or being returned.</p>	<p>Where equipment is taken off site, a record should be maintained containing the date of removal, item of equipment, serial number, name of the person removing it and the date it was returned.</p>	<p>System will be introduced.</p>	<p>Confirmed to have not been implemented.</p> <p>Management indicated this recommendation had been implemented in the initial audit report and had not been implemented when scoping this follow up review. Audit testing has confirmed that the recommendation has not been implemented.</p> <p>The School Business Manager confirmed that there continues to be no log maintained to document details of the equipment leaving the premises or being returned.</p>	<p>Agreed.</p> <p>The Estates Manager and the caretaking team will maintain a register of items of equipment which are disposed of or removed from the site for repairs and log their return.</p>
		<p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>		<p><b>UPDATED RECOMMENDATION</b></p>	<p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>
		<p>Acting Headteacher Business/Site Manager 31<sup>st</sup> December 2017</p>		<p>Where equipment is taken off site, a record should be maintained containing the date of removal, item of equipment, serial number, name of the person removing it and the date it was returned.</p>	<p>Estates Manager December 2018</p>