



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2018/19**

|   |                                    |
|---|------------------------------------|
| <b>AUDIT COMMITTEE</b><br><b>17<sup>th</sup> December 2018</b>                  | <b>AGENDA ITEM NO. 10</b>          |
| <b>REPORT OF THE GROUP<br/>DIRECTOR, CORPORATE &amp;<br/>FRONTLINE SERVICES</b> | <b>FINALISED AUDIT ASSIGNMENTS</b> |

Author: Marc Crumbie (Head of Internal Audit & Procurement Delivery Programme)

**1. PURPOSE OF THE REPORT**

1.1 This report provides Members with a summary of audit assignments completed between 27<sup>th</sup> October 2018 and 4<sup>th</sup> December 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 27<sup>th</sup> October 2018 and 4<sup>th</sup> December 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 12 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

**CHIEF EXECUTIVE'S DIVISION**

- HOUSING GRANTS

**COMMUNITY & CHILDREN'S SERVICES**

- GLYNTAFF CREMATORIUM
- LLWYDCOED CREMATORIUM

**CORPORATE & FRONTLINE SERVICES**

- ENERGY MANAGEMENT

**EDUCATION & INCLUSION SERVICES**

- CARADOG PRIMARY SCHOOL
- HAWTHORN PRIMARY SCHOOL
- IN YEAR TRANSFER PROTOCOLS
- MISKIN PRIMARY SCHOOL
- MOUNTAIN ASH COMPREHENSIVE SCHOOL
- PARCLEWIS PRIMARY SCHOOL
- YSGOL LLANHARI
- HAWTHORN HIGH SCHOOL FOLLOW UP

**5. EQUALITY AND DIVERSITY IMPLICATIONS**

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

## **6. CONSULTATION**

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

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

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

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

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

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

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

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

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

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

## **10. CONCLUSION**

- 10.1 The regular provision of all summarised audit assignments to Audit Committee throughout the year is aimed at assisting Members in evaluating the effectiveness of Internal Audit work across all Council systems and services.
- 10.2 In doing so, it enables Members to form an opinion on the overall control environment of the Council at the end of the financial year.

**Other Information:-**  
**Relevant Scrutiny Committee**  
**Not applicable.**



**Contact Officer** – Marc Crumbie



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

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

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**17<sup>th</sup> December 2018**

**FINALISED AUDIT ASSIGNMENTS**

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

Author: Marc Crumbie (Head of Internal Audit & Procurement Delivery Programme)

**Item: 10**

**Background Papers**

None.

Officer to contact: Marc Crumbie

## Appendix 1 - Summary of audit assignments completed between 27<sup>th</sup> October 2018 and 4<sup>th</sup> December 2018

### CHIEF EXECUTIVE

### AUDIT NAME: HOUSING GRANTS

DATE FINAL REPORT WAS ISSUED: 08/11/2018

#### INTRODUCTION

The responsibility for Housing Grants lies within the Housing Strategy and Standards Division of Regeneration & Planning and is delivered operationally by the Head of Regeneration & Prosperity.

There are a number of grant initiatives provided for housing repairs, under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. Renovations Grants provide means-tested, financial assistance for homeowners to deal with problems, that without intervention, the property is deemed a danger to the health, safety and welfare of the occupant or the general public. These grants are only available where exceptional circumstances exist at their home and the grant is provided to address the removal of serious (category one) hazards within properties. The maximum Renovation Grant is £35,000 plus ancillary fees.

Disabled Facilities Grant assistance is given to provide appropriate modifications and facilities to enable disabled persons to continue living at home. The service is a statutory requirement and is awarded via a means tested framework and capped at £36,000 including all fees and ancillary costs - as per the Disabled Facilities Grant (Maximum amounts and additional purposes) (Wales) Order 2008.

Empty Homes Grant is an initiative to bring vacant properties back into use. The grant assists owners or individuals looking to purchase a property in Rhondda Cynon Taf that has been empty for 6 months or more. The grant is capped at £20,000 to carry out essential repairs to help 'bring the property back to life'. Successful applicants would be required to pay a contribution of 15% of the identified cost of works and to remain the owner and occupier of the property for a minimum period of 5 years, after the works are completed.

A Maintenance and Repair Assistance Grant is provided to carry out general repairs required to provide safe and secure living conditions and to remedy defects which affect the person's ability to live comfortably at the property. The grant is means tested and the maximum allowance is £4,000 or £6,500 to remedy structural defects, plus ancillary fees.

#### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for the financial year 2018/2019 as agreed by Audit Committee, a review of the key controls within the system was undertaken. A review of the potential risks of fraud, bribery and corruption was carried out and an assessment of the controls in place to mitigate them. Audit testing was also carried out on a sample of completed grant applications, to establish whether the process is operating effectively.

The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control system. This review incorporated two assurance objectives and a consulting objective.

The assurance objectives of the review were to ensure that:

- Appropriate controls are in place to mitigate the risks of fraud, bribery and corruption; and
- Grants awarded are compliant with policies and procedures, and information retained is consistent and complete.

The Consulting objective of the review was to:

- Review and provide advice on the process established for transitioning from paper files and some electronic documentation storage to full electronic data storage.

#### **AUDIT OPINION**

The overall control environment in relation to the administration of Housing Grants is considered to be effective with opportunity for improvement.

##### Fraud, Bribery and Corruption Risk.

When awarding and administering housing grants, the risk of fraud, bribery and corruption could be perceived as inherently high. However, this risk can be mitigated through the implementation of stringent controls. Whilst not being able to completely mitigate the risk, Management has put in place the following key controls:

- Formal procedures and processes have been put in place that aim to ensure consistent working practices are followed;
- Appropriate segregation of duties have been put in place that help to ensure challenge and due process is followed;
- For RCT Agency work, (whereby RCT oversees the whole process), there is a contract framework in place, by which contractors are offered under 6 different lots (categories) on a rotation basis. For non-Agency work, the client selects their own contractor and in both cases, work awarded is in line with the standard schedule of rates, with the exception of very specialised work; and
- Payments are made against invoices that have been vetted and in line with valuation of work.

This report identifies two areas that can be strengthened further in respect of the procedures in place:

- Officers are currently not required to complete a 'conflict of interest' declaration; and
- The audit trail in respect of the checks that are undertaken when assessing unforeseen works needs to be fully documented.

##### Compliance with procedures/information retention

In addition to reviewing the adequacy of the procedures in place, a detailed review was also undertaken whereby compliance with the arrangements was tested. Eight files were selected and the process followed through from application to final payment. Whilst overall, the procedures put in place by Management were followed; this report identifies instances of non-compliance and recommends that Officers be reminded of the intended arrangements.

##### Transfer to electronic retention

The Service is planning to implement a paperless system during 2019/20. As part of the scope for this Internal Audit review, Management requested advice and guidance in respect of the intended control environment that Management have planned.

Following a detailed insight into the intended arrangements, Internal Audit has identified areas that should be discussed and addressed by Management. These have been included at Appendix A to this report.

By implementing the associated recommendations contained within this report, Management will enhance further the standard of control.

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| 5.1.1<br>Medium                    | Discussion with the Housing Strategy & Investment Manager and Grants Manager established that Officers involved in the process for awarding and administering grants are not requested, at present, to complete formal 'conflict of interest' declarations.  | <p>To ensure transparency, Officers should be required to complete an annual 'conflict of interest' declaration (this can be via email and retained).</p> <p>During this exercise, Management should seek to ascertain if Officers have any 'professional' or 'personal' conflicts of interest that may hinder their independence and objectivity when assessing applications for grants.</p> <p>The declaration should state that it is the Officer's responsibility to inform Management of any subsequent changes.</p>                                 | Implemented                |
| 5.1.2<br>Medium                    | The issuing of unforeseen works has the potential to be a greater risk area for fraud, bribery and corruption. All unforeseen works are supported by a revised schedule of works as a record of the additional works identified. The Technical Services Manager will accompany Technical Officers on site for some 'unforeseen works' site visits and also check some files as the work progresses. However, there is no formal record of the files checked. Reports are produced detailing variations in grant values but these are not utilised to inform checks on any completed grants. Moreover, there is no current benchmark i.e. sample check 10% of all variation orders or review variation orders above an agreed threshold e.g. an increase of £10,000 or 50% etc. | <p>Consideration should be given to utilising the variation reports to sample check a selection of unforeseen works on a monthly basis. The sample selected should be in conjunction with a target set i.e. percentage or threshold basis (although for threshold basis, it may be advisable to also check some that fall just under the thresholds set) and ensure that each Officer has had at least some checks on their variation orders undertaken.</p> <p>The checks undertaken should be recorded on the report, to evidence that these checks</p> | 30 November 2018           |



| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | A formal process for checking a sample of unforeseen works may act as a deterrent to potential fraud. In the absence of a formal record, it may not be possible to demonstrate which unforeseen works have been subject to independent checks.  | have been carried out and if any anomalies identified, the details and outcome(s) recorded. In addition, where the Grants Manager has carried out site visits in conjunction with the Technical Officer, this should be recorded on the report as this may inform which files to select.      |                            |
| 5.2.1<br>High                      | <p>The Eligibility Criteria for awarding a Renovation Grant includes that the applicant has owned and occupied the property for the last 5 years.</p> <p>For Renovation Grant number RA0***, testing identified that although the applicant had occupied the property for more than the required 5 years, they had only owned the property for the last 3 years. Following the review, Internal Audit were provided with email declarations from the 2 officers who undertook the eligibility checks confirming that they had no personal or professional links to the applicant.</p> <p>A review of the Renovation Approval Checklist (Admin Check), revealed that the wording is ambiguous and could be interpreted as either occupancy or ownership of 5 years, not both.</p> <p>Discussion with the Lead Administrative Officer established that a reminder had been sent to staff regarding this criterion recently; however, the ineligibility of this grant award had not been identified at the time of review.</p> | <p>Management should ensure that all Renovation Grants are issued to applicants who can demonstrate both 5 years occupancy and ownership.</p> <p>Consideration should be given to revising the wording on the Renovation Approval Checklist (Admin Check) to make this criterion clearer.</p> | 30 November 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| 5.2.2<br><br>Medium                | <p>For non-agency Disabled Facilities Grants, 2 estimates are required to support works above £10,000 net.</p> <ul style="list-style-type: none"> <li>• For DFG grant number D65**, the work was valued at £10,686.06 net; however, only one estimate was obtained.</li> <li>• Whilst the estimate provided was greater than the schedule of rates value, only the schedule of rates value was agreed to be paid.</li> </ul> <p>In addition to the above, where work is specialised and falls outside the scope of the schedule of rates, then there would be merit in seeking more than one quotation, with a view to ensuring value for money can be demonstrated (as per the Council's Contract Procedure Rules). However, if the Council is going to pay only the schedule of rates amount, there may not be value in seeking more than one quotation, if the amount paid will not exceed the schedule of rates amount.</p> | <p>Management should review the current process and decide whether to continue the requirement of 2 estimates for agreed schedule of rates works for non-agency DFGs. If the process is to continue, Management should ensure compliance with the agreed process.</p> | 30 November 2018           |
| 5.2.3<br><br>Medium                | <p>For Empty Property Grant number EPG0**, the total amount on the final invoice provided by the contractor was found to have been amended through the use of eradicating fluid (and overwritten with a revised total). The revised total did agree to the valuation of work and the Revised Grant approval figure.</p> <p>For Maintenance and Repair Assistance Grant number MRA****, the final invoice agreed to the revised grant approval figure, but the unforeseen work value had been handwritten on the bottom, with a signature.</p>   | <p>Management should ensure that invoices are paid only where there are no amendments/changes/revisions or eradicating fluid used.</p>  | 30 November 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| 5.2.4<br>Low                       | For each of the 8 files selected, the Document record at the front of the file was completed for the pre-approval section but not the post-approval.<br><br>Discussion with the Grants Manager and the Lead Administrative Officer established that this section has never been completed. | Management should ensure that the checklist is either completed in full or if the post-approval checks are considered to be redundant then the checklist should be amended to reflect this. | 30 November 2018           |
| 5.2.5<br>Medium                    | For 3 of the 8 files reviewed, the final payment had not been included on the reconciliation sheet (i.e. for Renovation Grant RA0*** and Empty Property Grants EPG0*** and EPG***).  | Management should remind staff that the reconciliation sheet should be completed in full and utilised as a check to ensure that the balance is correct.                                     | 30 November 2018           |
| 5.2.6<br>Low                       | For 2 of the 8 grants selected, an 'acceptable invoice check' had not been completed on the final payment, (Renovation Grant number RA0*** and Disabled Facility Grant number AD****). Note - the invoices were found to be acceptable for payment in both cases.                          | Management should ensure that acceptable invoice checks are completed for all contractor payments.  | 30 April 2019              |
| 5.2.7<br>Low                       | For Renovation Grant RA****, a schedule of £12.21 had been included with 3 other schedules for unforeseen works, but had not been included in the Revised Grant Offer. It was not clear if the schedule had been superseded or had not been included in error.                             | Management should remind staff of the importance of retaining clear and accurate unforeseen works packages on file.   | 30 November 2018           |
| 5.2.8<br>Low                       | For Renovation Grant number RA****, the legal charge had been missed off the Cost Analysis document, but had been identified later and the charge placed.  | Staff should be reminded of the need to identify a legal charge at the Cost-Analysis stage.   | 30 November 2018           |

## COMMUNITY & CHILDREN'S SERVICES

**AUDIT NAME: GLYNTAFF CREMATORIUM**

**DATE FINAL REPORT WAS ISSUED: 07/11/2018**

### INTRODUCTION

Glyntaff Crematorium is one of two crematoria within RCT. It is the centralised administrative office for the County Borough and is solely responsible for the issue of all funeral director invoices and the collection of subsequent income received for the Bereavement Service.

Self-evaluation was first introduced to the Bereavement Service in 2009/10. The process of self-evaluation requires Managers to certify - via a checklist - that the appropriate controls are either in place, or are to be addressed within the appropriate timescales. Glyntaff Crematorium complete and return a self-evaluation checklist to Internal Audit annually.

### SCOPE & OBJECTIVES

The self-evaluation checklist consists of 52 standards that need to be reviewed. Audit testing was carried out on a sample of transactions processed during financial year 2018/19.

The objectives of the audit review were to ensure that:

- All income due to the Council is identified and all collections are receipted and banked promptly and correctly.
- Invoices are issued on a timely basis and paid promptly.
- Receipts are retained in an orderly manner and are produced for all income received.
- The Purchase Card is being used in accordance with guidance and procedures issued by the Procurement Service.
- All confidential data is retained securely and electronic records/systems are backed up regularly and access restricted to authorised users.
- Accurate and up to date records are maintained of all burials, graves and purchased graves.

### AUDIT OPINION

#### Statutory Obligations

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

The Burial and Cremation Administration System (BACAS) is used to administer the day to day functions of the Service. A sample of 10 applications confirmed that all of the required application forms and documents were in place such as Confirmatory Notice of Cremation, Application for Cremation, Medical Certificate and where necessary Coroners Reports.

The purchase of plots is recorded on the 'Register of Graves & Grants of Exclusive Rights of Burial' ledgers and on BACAS. The owner of the plot is provided with a deed which is printed from the BACAS system.

The Register of Graves & Grants Exclusive Rights of Burial ledgers are used to record each interment of each plot. The maximum number of interments for

all plots is 4 and these are all recorded on the BACAS system.

#### Information Management & I.T Security

The control environment in relation to Information Management & I.T Security is considered to be effective and there are no findings contained within this report.

The site has a number of fireproof safes in which the statutory ledgers for the service are held. In addition, access to the BACAS system is restricted to those members of staff that have a unique username and password. All information and the BACAS system are backed up remotely to servers at Bronwydd - no manual back-ups are required.

#### Collections & Deposits / Receipts

The control environment in relation to Collections & Deposits/Receipts is considered to be effective with opportunity for improvement.

The site use the Webpaystaff system to record all income received directly on site. The system allows the site to take payments in person, over the phone and take card payments via chip and pin devices. Entries onto the Financials system are in real time. The system generates receipts which are given directly to or sent to customers (via email) and a copy retained on site. As a back up to the system, an income ledger is in place which is updated as and when income is received.

Occasions were noted where details of payments had been recorded in the income ledger but no copy receipt was initially present in the main receipt file. These were later located and the income verified on the Financials system. It was also noted that no reference is made in the ledger to the corresponding receipts numbers, and that the income for both Taf and the Rhondda Cemeteries is not separately identifiable. While it is accepted that this is a back up system and mainly used for reference and statistical purposes, this report contains recommendations to ensure that the process operates effectively, and as intended by Management.

As part of the cashing up process it was identified that each administrative officer (4 in total) completes their own individual bank paying in slip on a daily basis. As income is collected weekly by Loomis, there is the potential for up to 20 separate paying in slips to be associated with a single Loomis collection. Additionally, only one 'official' receipt is provided by Loomis and attached to the paying in book - (and it was noted that copy receipts are often taken by officers for their own records although this is not routinely undertaken by all 4). This process is unnecessary and this report recommends a review of the cashing up process going forward.

Good practice was noted in that merchant copies of credit and debit card transactions were being held securely, and were due to be destroyed in accordance with the Payment Card Policy (PCI).

There is currently no Financial Procedures document in existence. This report recommends that a document is put in place for all staff going forward so that there is both a consistent working approach, and staff are aware of their roles and responsibilities.

#### Purchase Card

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

The Crematorium does not have its own Purchase Card. When purchases are made, the Crematorium utilise the card held by an officer based at Trealaw Cemetery (who is the official cardholder). The cardholder travels between the Cemetery and the Crematorium as and when needed, with all administration of the card undertaken by staff at the Crematorium.

While it is accepted that records were up to date at the time of the audit, and receipts were present for a sample of transactions, this report recommends

that a second Purchase Card is obtained and retained at Glyntaff at all times. This will eliminate the need for travelling back and forth as and when the card is needed, and allow for the timely acquisition of goods/services. Separate transaction logs should be maintained to record each of the card transactions, with the records updated promptly and held separately going forward.  
Implementing the recommendations in the report will improve the control environment further.

**SUMMARY OF RECOMMENDATIONS:**

| <b>REPORT REF. &amp; PRIORITY</b> | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|-----------------------------------|--|---|----------------------------|
| 5.1.2<br><br>Low                  | There is currently no Financial Procedures document in place detailing the working practices and roles and responsibilities of staff.  | A Financial Procedures document should be introduced detailing the roles and responsibilities of staff and processes to be followed.<br><br>This should be issued to all members of staff as a reference point for future processes/duties.   | 01 December 2018           |
| 5.1.1<br><br>Medium               | The Webpaystaff system is used by staff to record all income received on site, with a backup ledger maintained and completed, as and when income is received.<br><br>Review of the income records for July 2018 identified the following: <ul style="list-style-type: none"> <li>• Occasions were identified where entries had been made in the income ledger but no Webpaystaff receipts were present. These were later found and the income identified on Financials.</li> <li>• No reference is made in the ledger to the corresponding Webpaystaff receipt numbers.</li> <li>• The income ledger does not capture details of all income received - some of the smaller payments which had been processed through Webpaystaff were not recorded.</li> <li>• The same ledger is used to record income from both Taf and</li> </ul> | All income should be accurately receipted and entered into the income ledger, in accordance with the system intended by the Crematorium.<br><br>All transactions should be supported by relevant receipts, with receipt numbers recorded against each transaction in the ledger(s). This will allow the ledger entries to be matched to the corresponding Webpaystaff receipts with ease.<br><br>Management should also consider using separate ledgers for each area i.e. one for Glyntaff and Taf and another for the Rhondda. This could be facilitated by the inclusion of additional columns for the various | 01 December 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |  |                            |
|------------------------------------|--|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | Rhondda cemeteries.  | sources of income.<br><br>This will also allow the Cynon area to be added with ease once the administrative functions are transferred to a single site.  |                            |
| 5.1.4<br><br>Medium                | <p>Discussions with the Crematorium Manager identified that a number of Funeral Directors pay invoices via the BACS system.</p> <p>Confirmation that a BACS payment has been received is currently obtained via an email from the Corporate &amp; Frontline Services Income Team, requesting details of which financial codes the income should be coded to.</p> <p>However, as there is often a time delay between the receipt of BACS income and subsequent notification to the Crematorium of its receipt, it is possible for staff to follow up payment with Funeral Directors that has already been received. This situation is compounded by the fact that Crematorium staff are also unaware of how to identify BACS payments on Financials, and rely on the notification process from the Income Team.</p> | <p>The Crematorium Manager has now been made aware of how to identify BACS payments, hence, it is possible for Crematorium staff to check whether payments have been received as a part of the income checking process.</p> <p>Consideration should be given to sending an email detailing invoices that will be paid via BACS to the Income Team along with the necessary financial codes to which the income should be coded.</p> <p>This should alleviate any unnecessary contact with Funeral Directors chasing payments which they may have already paid.</p> | 01 December 2018           |
| 5.2.1<br><br>Medium                | The Crematorium does not have its own Purchase Card. Instead when purchases are made, they utilise the card held by an officer based at Trealaw Cemetery (who is the official cardholder). It was reported that the cardholder travels between the Cemetery and the Crematorium if   | The Crematorium Manager should obtain a second Purchase Card to retain at Glyntaff at all times. This will eliminate the need for the current cardholder to be travel back and forth   | 01 December 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>the card is needed.</p> <p>The administration of the card is however undertaken by staff at Glyntaff Crematorium (see 5.2.2) and it was noted that records were up to date at the time of the audit and receipts were present for a sample of transactions.</p>  | <p>as and when the card is needed in Glyntaff.</p> <p>Separate transaction logs should be maintained to record each of the card transactions, with the second card and supporting documentation also held separately.</p>  |                            |
| <p>5.2.2</p> <p>Medium</p>         | <p>Section 6 of the Cardholder Manual issued by the Procurement Service states that:</p> <p>'Each Purchase Card transaction should be recorded on the transaction log as soon as the transaction is complete to ensure that no information is omitted'.</p> <p>Whilst there is a transaction log in place (and this was found to be up to date with details of the latest transactions), it was identified that this is updated retrospectively by staff at Glyntaff following receipt of the supporting receipts / vouchers from Trealaw Cemetery.</p> <p>It was also noted that the transaction log is one continuous list with no clear distinction from month to month.</p> | <p>Details of all Purchase Card transactions should be promptly updated onto the Transaction Log immediately following a purchase. The Transaction Log should then be used to reconcile the bank statements upon receipt.</p> <p>The transaction log should be split into monthly periods. This will help in the reconciliation process when comparing individual entries to the Barclaycard system. For each monthly period, the log for each card can be printed and retained along with the supporting documentation.</p> | <p>01 December 2018</p>    |



**AUDIT NAME: LLWYDCOED CREMATORIUM**

**DATE FINAL REPORT WAS ISSUED: 07/11/2018**

**INTRODUCTION**

Llwydcoed Crematorium is managed and administered by the Llwydcoed Crematorium Joint Committee, under the Local Government (Wales) Act 1994. The Committee is made up of nine members, five from Rhondda Cynon Taf CBC and four from Merthyr Tydfil CBC. In 1996 RCTCBC became the host authority for the Joint Committee.

Self-evaluation was first introduced to the Bereavement Service in 2009/10. The process of self-evaluation requires Managers to certify - via a checklist - that the appropriate controls are either in place or are to be addressed within the appropriate timescales. Llwydcoed Crematorium complete and return a self-evaluation checklist to Internal Audit annually.

**SCOPE & OBJECTIVES**

The self-evaluation checklist consists of 52 standards that need to be reviewed. Audit testing was carried out on a sample of transactions processed during financial year 2018/19.

The objectives of the audit review were to ensure that:

- Receipts are retained in an orderly manner and are produced for all income received.
- The Purchase Card is being used in accordance with guidance and procedures issued by Procurement Services.
- All confidential data is retained securely and electronic records/systems are backed up regularly and access restricted to authorised users.
- Accurate and up to date records are maintained of all burials, graves and purchased graves.

**AUDIT OPINION**

Statutory Obligations

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

The Burial and Cremation Administration System (BACAS) is used to administer the day to day functions of the Service. A sample of 10 applications confirmed that all of the required application forms and documents were in place such as Confirmatory Notice of Cremation, Application for Cremation, Medical Certificate and where necessary Coroners Reports.

The purchase of plots is recorded on the 'Register of Graves & Grants of Exclusive Rights of Burial' ledgers and on BACAS. The owner of the plot is provided with a deed which is printed from the BACAS system.

The Register of Graves & Grants Exclusive Rights of Burial ledgers are used to record each interment of each plot. The maximum number of interments for all plots is 4 and these are all recorded on the BACAS system.

Information Management & I.T Security

The control environment in relation to Information Management & I.T Security is considered to be effective and there are no findings contained within this

report.

The site has a number of fireproof safes in which the statutory ledgers for the service are held. In addition, access to the BACAS system is restricted to those members of staff that have a unique username and password. It should be noted that the site does encounter continuity issues in respect of network connection due to its isolated location. This can occasionally cause issues with the Webpaystaff system and network connected equipment such as chip and pin machines and receipt printer.

#### Collections & Deposits / Receipts

The control environment in relation to Collections & Deposits/Receipts is considered to be effective with opportunity for improvement.

The site use the Webpaystaff system to record all income received directly on site. The system allows the site to take payments in person, over the phone and take card payments via chip and pin devices. Entries onto the Financials system are in real time. The system generates receipts which are given directly to or sent to customers (via email) and a copy retained on site. As a back up to the system, an income ledger is in place which is updated as and when income is received.

One occasion was noted where details of a payment (£690.00) had not been recorded in the income ledger and no copy receipt was initially present (although this was later found). Evidence of a review of the income records by the Crematorium Supervisor was noted, although only on one occasion. The latest Self Evaluation document indicates that this practice would commence with effect from March 2018 and therefore this report recommends that this is undertaken on a monthly basis going forward, with appropriate evidence retained. Furthermore, if this process had been carried out more often the error identified would have been corrected sooner.

It was also identified that merchant copies of credit and debit card transactions were being retained for slightly longer than the 6 month limit specified in the Payment Card Policy (PCI).

#### Purchase Card

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

Overall, the administration of the Purchase Card is in accordance with the procedures issued by the Council's Procurement Service. The card holder updates the electronic transaction log as and when transactions occur, and the transaction log was found to be up to date at the time of the audit with details of the most recent purchases. For purchases made via Amazon, whilst copies of the online orders were present, no invoices were available. This has implications for reclaiming VAT especially with Amazon third party suppliers outside of the UK.

Implementing the recommendations in the report will improve 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                             | Review of the income records for the period of June 2018 identified the following: | It should be ensured that all income is accurately receipted and entered into the | 30 November 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
| Low                                | <ul style="list-style-type: none"> <li>One instance was noted whereby a payment (£690.00 received on 27th June 2018) was identified on Financials as being banked yet no entry had been made in the income ledger and no supporting receipt was initially available (but this was later found).</li> </ul>  | income ledger. All transactions should be supported by relevant receipts.  |                            |
| 5.1.2<br>Medium                    | <p>On review of the income records it was noted that on 6th July 2018, the Crematorium Supervisor had certified the income ledger to indicate that records had been checked. No other instances of an independent review were identified.</p> <p>A review of the latest Self Evaluation document indicated that an independent review of income is undertaken, although no evidence was retained to support this. The document also indicates that income would be reviewed and checked to Financials with evidence of this being retained with effect from March 2018 – however the site does not have access to the system.</p> | <p>The Crematorium Manager should undertake a periodic (monthly) sample based review of physical income received on site to ensure that there are no anomalies and income records are accurately completed.</p> <p>The Crematorium Supervisor should ensure that the records are signed and dated as evidence of this process.</p> | Implemented                |
| 5.1.3<br>Medium                    | <p>In accordance with the Council's Payment Card Policy Document, merchant copies of receipts in respect of credit card payments must be shredded after 6 months.</p> <p>A review of the receipts present identified that these dated back to 5th January 2018 – which is in excess of the 6 month time limit.</p>  | <p>The Crematorium Supervisor should ensure that merchant copies of receipts relating to credit and debit card payments are only held for 6 months.</p> <p>Receipts older than 6 months should be securely destroyed using a cross cut shredder.</p>   | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| 5.2.1<br><br>Medium                | <p>A review of purchase card transactions from April 2018 confirmed that all transactions were supported with documentary evidence of the purchase card transaction.</p> <p>However, it was noted that for Amazon purchases, whilst copies of the online orders were present, there were no supporting invoices showing the VAT breakdown. Furthermore, as there are many companies who operate via the Amazon website, many of whom may not be VAT registered / located in the UK, in the absence of this information the VAT registration status of suppliers outside the UK cannot be verified.</p> | <p>The Purchase Cardholder should ensure that VAT invoices for purchases made via Amazon are requested / received and retained along with the relevant copies of orders etc.</p> <p>The Purchase Card Manual has recently been updated to reflect the VAT treatment on the purchase of goods from suppliers outside the UK and it should be ensured that this guidance is followed going forward.</p> | Implemented                |

## CORPORATE & FRONTLINE SERVICES

### AUDIT NAME: ENERGY MANAGEMENT

DATE FINAL REPORT WAS ISSUED: 09/11/2018

#### INTRODUCTION

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

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

Since 2008 the Council has an annual obligation to display in buildings that are frequently visited by the public, a Display Energy Certificate (DEC) showing the buildings energy performance compared to a national benchmark.

The DECs provide an energy rating of the building from A to G, where A is very efficient and G is the least efficient, and are based on the actual amount of metered energy used by the building over a period of 12 months.

The Council must display a DEC in a prominent place clearly visible to the public and have in its possession or control a valid advisory report. The advisory report contains recommendations for improving the energy performance of the building.

For buildings with a Gross Internal Area (GIA) of more than 1000m<sup>2</sup>, DECs must be renewed every 12 months. For buildings with a GIA of between 250m<sup>2</sup> - 999 m<sup>2</sup>, the DECs must be reviewed every 10 years.

#### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2018/19, agreed by Audit Committee, a review of the reporting arrangements for the Carbon Reduction Commitment Scheme and the management surrounding DECs was undertaken.

The specific control objectives examined were:

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

#### AUDIT OPINION

Overall the control environment in respect of the administration of DECs and the Carbon Reduction Commitment (CRC) is considered to be effective with opportunity for improvement.

### DECs

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

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

Ultimately, failure to display a valid DEC in a building may result in a fine.

### Carbon Reduction Commitment (CRC)

The Council is required to compile an evidence pack that aims to demonstrate compliance with the Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES). In readiness to submit the evidence pack to the CRCEES, Management requested that Internal Audit review the information. Internal Audit reviewed a sample of the evidence and is able to provide assurance that for the areas tested, evidence could be substantiated, for example, a sample of transactions identified that actual gas and electricity readings had been accurately reported.

There were no findings identified during the review.

Implementation of the recommendations included in the report will further enhance the internal controls in place.

### **SUMMARY OF RECOMMENDATIONS:**

| <b>REPORT REF. &amp; PRIORITY</b> | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|-----------------------------------|--|--|----------------------------|
| 5.1.1<br><br>Medium               | <p>A DEC shows a building's energy performance compared to a national benchmark.</p> <p>Section 16 (2b) of the Energy Performance of Building (Certificates and Inspections) (England and Wales) Regulations 2007 requires Organisations to place their Display Energy Certificates in a prominent position that are clearly visible and readable by the public who visit the facilities.</p> <p>In addition to the 2007 Regulation, the Welsh Language Standards require all signage to be bi-lingual (Welsh and English languages)</p> <p>A sample of 18 buildings were visited during the review and it was established that:</p> | <p>The Government Regulations for DECs should be fully complied with.</p> <p>Management should ensure that all appropriate buildings have a valid DEC displayed.</p> | 31 March 2019              |

| SUMMARY OF RECOMMENDATIONS: |  |   |                     |
|-----------------------------|--|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION  | IMPLEMENTATION DATE |
|                             | <ul style="list-style-type: none"> <li>5 did not have a DEC displayed; and</li> <li>1 did not display the DEC in an appropriate public place and it was not bi-lingual.</li> </ul>   |   |                     |
| 5.1.2<br>Medium             | <p>When the energy team issue a DEC in the post to a site, they enclose in the envelope a form to be completed and returned by the site manager to indicate receipt, and to confirm that it will be displayed in a prominent position for the public to view.</p> <p>All responses received are recorded on a database and follow up letters are sent where there has been no reply.</p> <p>Examination of the database at the time of audit identified that sites have failed to acknowledge 37 certificates being received from a total of 160 issued.</p> | <p>Management should continue to issue reminder letters for all sites who fail to acknowledge receipt of the DECs.</p> <p>If considered necessary Senior Management should be informed of sites failing to respond for them to take the appropriate action.</p> | 31 March 2019       |
| 5.1.3<br>Medium             | <p>An Advisory Report contains details of how to improve the energy performance of the building.</p> <p>From a sample, only 5 of 18 sites visited were able to locate their reports.</p> <p>NOTE: Copies of the Advisory Reports for the sites noted above are also held by Corporate Estates.</p>   | <p>Management should provide copies of Advisory Reports to those highlighted in this report and conduct an exercise to establish which sites have / do not have a copy of their Advisory Reports and reissue.</p>   | 31 March 2019       |

## EDUCATION & INCLUSION SERVICES

**AUDIT NAME: CARADOG PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 06/11/2018**

### 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.

Caradog Primary School was last subject to an Internal Audit Review in November 2014 and this was 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 their Autumn Term 2018 meeting.

### SCOPE & OBJECTIVES

The checklist for chequebook primary schools comprises 155 standards that need to be in place. Audit testing was carried out on a sample of transactions processed during financial years 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 and that the budget set by the school complies with the 'Fair Funding : Scheme for Financing Schools', is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up to date.
- To ensure that the opportunities for unauthorised use of the School's 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 1998.
- To review the governance arrangements in place at the School.
- To ensure that all Formula Funding Allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.



## AUDIT OPINION

### Governance

The control environment in respect of Governance is considered to be effective.

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

Whilst all statutory policies and documents are present, there are 2 policies currently under review and the Freedom of Information Policy has not been reviewed for a number of years. This report recommends that the Freedom of Information Policy be reviewed as soon as possible and 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 and there are no findings contained within this report.

Testing identified that all staff received the appropriate clearances before commencing duties in their posts and all staff have received Safeguarding and Child Protection training.

The School have a Safeguarding and Child Protection Policy, which is reviewed annually and there was documentary evidence at the School to confirm that all members of staff have received a copy of the Policy, and have read and understood it.

The 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.

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 was solely for the benefit of the pupils / School in accordance with the School Private Fund Regulations and apart from 1 item of expenditure, expenditure was supported with receipts / invoices.

School Uniform is purchased and sold through the fund. However, discussions at the School established that the supplier also has an on line facility and parents are able to make purchases directly. This report recommends that the School cease selling School uniform to alleviate the extra workload associated with the task, and direct all parents to the online facility.

### Purchase Card

The control environment in relation to 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 and a card sharing log is 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, and confirmation for on-line orders. ,However, 2 occasions were noted

whereby appropriate VAT receipts had not been obtained from Amazon although the VAT for these purchases had been reclaimed.

#### Purchasing

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

From a sample of 5 orders examined, 4 had been raised in retrospect, hence the commitment to expenditure had not been properly authorised at the School, the budgetary information on SIMS is inaccurate (at a point in time) and furthermore, items could be accepted and paid for that were not part of the original request. This report therefore recommends that an official order (confirmation if made by telephone) should be raised as soon as a commitment to expenditure is known.

#### School Meals

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

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

The School regularly send reminders to parents in respect of dinner money arrears; at the time of the visit only 1 pupil had arrears in excess of the 2 week limit.

#### School Budget

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

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

#### Data Protection & Security

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

The School is registered with the Information Commissioner. Data is backed up weekly by the School Clerk, with a copy held securely off site at all times.

The inventory has recently been reviewed and ICT equipment is asset registered and marked as the property of the School.

#### 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 6 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                             | Whilst all statutory policies and documents were in place at the School, the Curriculum and Special Educational Needs policies were under | All policies and documents should be regularly reviewed and presented to the | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |  |                            |
|------------------------------------|--|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
| Medium                             | review at the time of the audit. Additionally, the Freedom of Information Policy had not been reviewed for some time.  | Governing Body for ratification (with this being appropriately minuted).<br><br>Details should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.   |                            |
| 5.2.1<br>Medium                    | Section 4.2 of the School Private Fund Regulations states that: 'All monies collected must be banked intact, in order that income can be traced and reconciled to bankings'.<br><br>Examination of the fund income for the current academic year identified 9 occasions whereby cash was withheld from income collected to provide refunds to parents. It is however acknowledged that an appropriate record of these refunds was available at the School. | All income received should be banked intact to ensure that it can be traced and reconciled to bankings.<br><br>Alternative arrangements should be made in respect making refunds to parents in future, i.e. all payments made by cheque or financed from a cash float.   | Implemented                |
| 5.2.2<br>Medium                    | Examination of the Fund expenditure for the period September 2017 to June 2018 identified 1 unreceipted item of expenditure. While a 'Record of Expenditure Without Receipt Form' is in place at the School, this payment had not been recorded: -<br><br>£504.00 to Cafe Cwtch – Santa visit to Dare Valley Country Park  | In accordance with the School Private Fund Regulations, care should be taken to ensure that all items of expenditure is supported by a relevant receipt / invoice / voucher as proof of payment.<br><br>Where a receipt cannot be obtained, details of the purchase should be recorded on the Record of Expenditure Without Receipts Form, with two signatures provided as | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |  |  |                     |
|-----------------------------|--|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             |  | evidence of the amounts involved.  |                     |
| 5.2.3<br>Low                | <p>The school currently holds a small stock of School uniform for parents to purchase.</p> <p>Discussions at the School established that this is a historical arrangement and parents are also able to purchase the same uniform from the same supplier on-line.</p> | Consideration should be given to the sale of school uniform at the school being discontinued and all parents directed to the online facility.  | Implemented         |
| 5.3.1<br>Medium             | Although receipts were present to support all items of purchase card expenditure during March, April and May 2018, 2 occasions were noted whereby an appropriate VAT receipt had not been obtained, although VAT had been reclaimed.                                 | <p>Every effort should be made to obtain appropriate VAT receipts where VAT is to be reclaimed. An appropriate VAT receipt should include:</p> <ul style="list-style-type: none"> <li>•details of the sale including the tax date;</li> <li>•the supplier's VAT registration number;</li> <li>•the amount paid for the goods or services; and</li> <li>•the amount of VAT that the supplier has charged to you.</li> </ul> <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p> | Implemented         |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| 5.4.1<br><br>Medium                | Examination of a sample of 5 completed purchase orders identified that 4 were raised after receipt of the goods and/or the corresponding invoice. | An official order (confirmation if made by telephone) should be raised as soon as a commitment to expenditure is known. This will ensure that the order has been authorised in the correct manner and that there is a hard copy of the items ordered at the School which can be used to check the subsequent delivery of goods and invoice. | Implemented                |

**AUDIT NAME: HAWTHORN PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 06/11/2018**

### **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.

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

The Headteacher has confirmed that this report will be presented to the Full Governing Body at their Autumn Term 2018 meeting.

### **SCOPE & OBJECTIVES**

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

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2017 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that the School's budget has been approved by the Governing Body and that the budget set by the school complies with the 'Fair Funding: Scheme for Financing Schools', is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the School's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 2018.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.

### **AUDIT OPINION**

Governance

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

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

Whilst all statutory policies and documents were present, there are a number of policies that were not dated and therefore may not have been reviewed in line with statutory requirements. 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 the 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 and although it was indicated that a training update on Safeguarding was provided to staff during the 2017 Autumn Term, there is no formal record at the School to demonstrate which members of staff were in attendance. This report recommends that attendance sheets should be completed and retained at the School for any Safeguarding training undertaken by any member of staff.

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

The Treasurer maintains an adequate audit trail of all income and expenditure transactions. A ledger is maintained and while this was up to date at the time of the review, it was not in an appropriate format. This report recommends that an appropriate ledger be introduced and maintained in a format which is in accordance with the School Private Fund Regulations.

During the sample period examined some delays in banking were noted. The account is reconciled to the bank statements monthly and for the current academic year all expenditure was solely for the benefit of the pupils / School in accordance with the School Private Fund Regulations and all spend was supported with receipts / invoices.

#### Purchase Card

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

There are 2 Purchase Cards at the School and there is a sufficient audit trail in respect of evidence being available that supports the expenditure for both cards. Audit testing identified that only 1 Transaction Log has been introduced at the School, this being updated with items of expenditure for both cards. This report recommends that a separate Transaction Log is maintained for each purchase card held for clarity.

All purchases reviewed were supported with documentation i.e. receipts, invoices and confirmation for on-line orders; however, for Amazon purchases appropriate VAT receipts had not been obtained even though the VAT for these purchases had been reclaimed.

### School Meals

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

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

Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained.

It was however noted that the school meals income records are not regularly reviewed by an independent senior member of staff. This report recommends that a person independent of the collection and recording process (i.e. Headteacher or a senior member of staff) regularly reviews the central dinner money record (and subsidiary records) to ensure that these are complete, accurate and agree with deposits made at the bank.

### School Budget

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

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

### Data Protection & Security

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

The School is registered with the Information Commissioner. Data is backed up regularly and confidential data is kept securely. However, it was noted that the inventory was not up to date and therefore this report recommends that a full inventory review of the School's assets be completed immediately (and thereafter, annually) to ensure that the record is accurate and up-to-date.

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

## **SUMMARY OF RECOMMENDATIONS:**

| <b>REPORT REF. &amp; PRIORITY</b> | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b>     |
|-----------------------------------|---|---|--------------------------------|
| 5.1.1<br>Medium                   | <p>Whilst all statutory policies and documents were in place, it was difficult to establish when some of these were reviewed and when they are due to be reviewed, ratified / presented to Governing Body due to the lack of information or detail included on the Policy document cover.</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 from the Governing Body meeting minutes.</p> | <p>The Headteacher and Governing Body should ensure that they implement a rolling programme of review of 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> | 30 <sup>th</sup> November 2018 |



| SUMMARY OF RECOMMENDATIONS: |  |   |                                |
|-----------------------------|--|---|--------------------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION  | IMPLEMENTATION DATE            |
| 5.2.1<br><br>Medium         | <p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states:</p> <p><i>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</i></p> <p>Although it was noted that this is a typical procedure for all school Policies, on this occasion, the Headteacher could not provide evidence that the staff had received read, and understood the Child Protection Policy.</p>  | Evidence should be kept at the School to demonstrate that all staff have received, read and understood the Policy.  | 30 <sup>th</sup> November 2018 |
| 5.2.2<br><br>Medium         | <p>Section 2.21 of the Keeping Learners Safe Guide 'Responsibilities of Governing Bodies / Proprietors' states:</p> <p><i>Governing bodies of maintained schools, governing bodies (Corporations) of FE institutions, and proprietors of independent schools should ensure that their respective organisations have effective child protection policies and procedures in place that are:</i></p> <ul style="list-style-type: none"> <li><i>made available to parents or carers on request</i></li> </ul> <p>Discussions at the School established that the Policy has not yet been made available to parents.</p> | All parents must be made aware that there is a Child Protection Policy at the School. Consideration could be given to including the policy on the School website or by making reference to the existence of the policy within the School Prospectus.  | 30 <sup>th</sup> November 2018 |
| 5.2.3<br><br>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:</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>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</p> | 30 <sup>th</sup> January 2019  |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be renewed every 3 years and facilitated by RCT with Level 3 provided every 2 years (in house refresher training can also be provided as and when required by Level 3 trained staff).</p> <p>While the School currently have 4 members of staff who are Level 3 trained, it was noted that for 1 of these staff the last training provided was in January 2016 and is therefore due for renewal.</p> <p>An update on Safeguarding was also provided to staff during the 2017 Autumn Term; however, there is no formal record at the School to demonstrate which members of staff were in attendance for the update.</p> | <p>staff names.</p> <p>This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p>   |                            |
| 5.3.1<br>Medium                    | <p>The entries in respect of Private Fund income / expenditure should allow for prompt reconciliation within each financial period.</p> <p>Examination of the current ledger revealed that it is not in an appropriate format, as individual loose leaf sheets are maintained for income and expenditure, and a running balance of the account is not recorded.</p>   | <p>An A4 Book should be introduced at the School to fulfil the requirements of a Private Fund ledger.</p> <p>All expenditure transactions should be clearly recorded against any income received for the same period.</p> <p>To ensure that an accurate balance of the School Private Fund is maintained, an additional column should be added to the ledger to allow a running balance to be recorded following each transaction.</p> | Implemented                |
| 5.3.2<br>Low                       | <p>Currently, the School only has 2 authorised cheque signatories for the School Private Fund.</p>  | <p>The School should update the current signatories for the School Private Fund account to include an additional signatory.</p>  | Implemented                |
| 5.3.3                              | <p>On the whole, School Private Fund income is banked regularly.</p> <p>However, 3 occasions were noted whereby income was not banked in</p>  | <p>Management should ensure that income is banked more frequently, to reduce the risk associated with holding relatively large amounts of cash on the</p>  | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |  |  |                     |
|-----------------------------|--|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION   | IMPLEMENTATION DATE |
| Low                         | <p>accordance with the School Private Fund Regulations:</p> <ul style="list-style-type: none"> <li>• 23.5.18 - £261.11 for income collected between 1.5.18 – 23.5.18</li> <li>• 22.5.18 - £350.00 for income collected between 12.3.18 – 22.3.18</li> <li>• 15.2.18 - £762.00 for income collected between 18.1.18 and 1.2.18</li> </ul>   | School premises.   |                     |
| 5.4.1<br><br>Low            | <p>Section 6 of the Cardholder Manual for School document issued by Procurement Services states that:<br/><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, one held by the School Clerk and one held by the Headteacher.</p> <p>However, there is only one Transaction Log in place which is updated as and when a purchase is made using each of the cards.</p> | Separate Transaction Logs should be maintained for each Purchase Card held at the School.  | Implemented         |
| 5.4.2<br><br>Medium         | <p>Although receipts were present to support all items of purchase card expenditure, for the sample period tested (April and May 2018) no appropriate VAT receipts had been obtained for items purchased through Amazon although VAT had been identified and reclaimed.</p>  | <p>Every effort should be made to obtain appropriate VAT receipts where VAT is to be reclaimed. An appropriate VAT receipt should include:</p> <ul style="list-style-type: none"> <li>• details of the sale including the tax date;</li> <li>• the supplier's VAT registration number;</li> <li>• the amount paid for the goods or services; and</li> <li>• the amount of VAT that the supplier has charged to you.</li> </ul> <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p> | Implemented         |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| 5.5.1<br><br>Medium                | No independent review of the Dinner Money records is currently being undertaken. | <p>A person independent of the process of collecting and recording dinner money received (i.e. Headteacher or a senior member of staff) should regularly review the central Dinner Money record (and subsidiary records) and cross-reference to the deposits made at the bank to ensure that these are complete and accurate and that all Dinner Money received has been deposited promptly.</p> <p>At the end of each week, the Authorised Banking Return should be signed to certify that the record is a true reflection of collections and deposits that have occurred.</p> | Implemented                |

## AUDIT NAME: IN YEAR TRANSFER PROTOCOLS

DATE FINAL REPORT WAS ISSUED: 30/11/2018

### INTRODUCTION

Parents/carers can request to transfer schools at any time during the academic school year.

For all pupils up to Year 9, parents/carers must complete an application form and submit it to the Council's School Admissions team, who will administer and provide support to ensure the transfer is undertaken as quickly as possible.

For pupils in Years 10 and 11, contact must first be made with the Headteacher of the school the child currently attends. This will enable an 'Intention to Transfer School Form' to be provided by the Headteacher to start the transfer process. Only a child's current school can provide this 'Intention to Transfer School Form', which must be completed jointly between parents/carers and the school. Where the reason for the transfer request is not due to a house move or foster care placement, parents/carers will be invited to attend a meeting where representatives from both schools (current school, requested school) and a Local Authority Officer will be present to offer information, advice and guidance.

A newly established Fair Access Protocol Panel (consisting of representatives from schools and the Council) has been established to deal with the more complex cases of school transfers in Secondary Schools. This panel meets once every three weeks and aims to resolve and implement transfers.

### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2018/19, agreed by Audit Committee, a review of the procedures for the accurate and timely transfer of pupils during a school year was undertaken.

The primary purpose of the review is to provide management with an opinion on the adequacy and effectiveness of the arrangements in place when administering In Year Pupil Transfers. The specific control objectives were:

- To review a sample of in year transfers and identify if there are any unacceptable delays in the process; and
- To ensure that the recently established Fair Access Protocol Panel is working appropriately.

### AUDIT OPINION

Overall, the control environment in relation to In Year Transfers is considered to be effective with opportunity for improvement.

The School Admissions Code 3.17 states that 'applications must be considered without delay and a formal decision either to offer or to refuse a place made and notified to the applicant within 15 school days or 28 calendar days, whichever is sooner'. Internal Audit is able to provide assurance that the majority of In Year Transfers that took place between September 2017 and July 2018 were in accordance with the required timescales.

It was identified that there were 1,089 primary school and 252 secondary school In Year Transfers during 2017/18, this number having reduced annually over the past 3 years as follows:

| Phase  | 2015/16      | 2016/17      | 2017/18      |
|--|--------------|--------------|--------------|
| Number of Primary School In Year Transfers   | 1,276        | 1,048        | 1,089        |
| Number of Secondary School In Year Transfers | 358          | 314          | 252          |
| <b>Total</b>                                 | <b>1,634</b> | <b>1,362</b> | <b>1,341</b> |

Where applications were processed outside of the required timescales, Internal Audit selected a sample in order to visit the relevant schools and seek feedback from Headteachers as to why these delays may have occurred. This feedback suggested that there is often a lack of timely information sharing between Schools/School Admissions/Parents as part of the process and more clarity is required in respect of the expectation of schools in relation to their involvement.

Centrally, the School Admissions system is used to maintain pupil information, including the recording of notes made during a school transfer to highlight/monitor any issues for delay. A review of the School Admissions system for a sample of 1,049 In Year Transfers identified that 75 transfers had not been administered within the prescribed timescales of 15 days. Of these 75 In Year Transfers, adequate reasons were provided/noted on the system for all but 11 transfers, whereby no reasons/notes could be provided or had been recorded on the School Admissions system to evidence the reasons for the delays and to provide a trail of information.

A Fair Access Protocol Panel was established in April 2018 to deal with the more complex cases of transfers in secondary schools. From a review of this process together with feedback from schools, it is apparent that the Panel process is working appropriately and many schools have highlighted positive feedback insofar as it provides more independence to the process.

This report does however contain recommendations relating to the level and timeliness of information provided to the Panel to ensure that the transfer process is not unnecessarily delayed due to a lack of sufficient detail in the information being presented, or transfer requests made which do not necessarily meet the Panel's criteria.

Implementation of the recommendations included in the report will further enhance the internal controls in place.

#### SUMMARY OF RECOMMENDATIONS:

| REPORT REF. & PRIORITY | FINDING  | RECOMMENDATION  | IMPLEMENTATION DATE |
|------------------------|--|---|---------------------|
| 5.1.1<br>High          | The School Admissions Code point 3.17 states the following -<br><br>'Anyone expressing an interest in admission must be given an application form at the first point of contact. Once received, such | In accordance with the Starting School Booklet and system intended by the LEA, all 'In Year Admissions And Transfers' application forms should be obtained from | 30 September 2019   |

| SUMMARY OF RECOMMENDATIONS: |   |   |                     |
|-----------------------------|---|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION  | IMPLEMENTATION DATE |
|                             | <p>applications must be considered without delay and a formal decision either to offer or to refuse a place should be made and notified to the applicant within 15 school days or 28 calendar days whichever is the sooner. Applicants must not be refused the opportunity to make an application, or told that they can only be placed on a waiting list rather than make a formal application’.</p> <p>For the sample period September 2017 to July 2018, it was established that the vast majority of In Year Transfers are undertaken within these timescales. However, some were identified which are not, with 12 of these being of particular concern (please refer to 5.1.3).</p> <p>To establish reasons for delays, a sample of Schools were visited during the review to ensure that the current procedure is being followed.</p> <p>The ‘Starting School’ book states: -<br/> <i>‘If you decide that you would like your child to transfer from one school to another, please contact their present Headteacher first to alert them of your decision’</i></p> <p>However, discussion with a sample of Headteachers revealed the following:</p> <ul style="list-style-type: none"> <li>• The documented process is not always followed by parents, who sometimes obtain an ‘In Year Admissions And Transfers’ application form from either the new School or School Admissions. Headteachers are therefore unaware of the request being made and are unable to discuss the reason for the transfer (and possibly help</li> </ul> | <p>the pupil’s current school. This will allow the present Headteacher to be alerted of a decision to leave.</p> <p>Upon receipt of an ‘In Year Admissions And Transfers’ application form, School Admissions should check to ensure that the School has been notified. This could be facilitated by a tick box on the form which could be completed by School Admissions as confirmation that the School has been made aware of the decision.</p> <p>A scanned copy of the application should be forwarded to both Schools involved, together with any other relevant information which will provide the new school with a ‘fuller’ picture of the pupils needs.</p> |                     |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>alleviate future transfers occurring).</p> <ul style="list-style-type: none"> <li>• Notification of a new pupil being transferred to a School is usually received via an email or phone call from School Admissions confirming that a pupil is due to start. Hence, key information on the pupil such as SEN, LAC, Health, Academic Levels, Social Workers, Safeguarding issues may be unknown until after the pupil commences in their new school.</li> <li>• For pupils transferring from outside the area, minimal information is also available – as above.</li> <li>• Where families transfer from overseas, it is currently the responsibility of the School to pursue and carry out checks on birth certificates, passports, visa's etc. However many of the Schools visited were unaware of what checks should be undertaken on these documents.</li> <li>• Occasions have arisen where pupils have transferred from an address out of the catchment area due to a house move. Where the move has subsequently failed to transpire (yet the pupil has still transferred schools), attendance issues have occurred due to the daily distances being travelled from the pupils original home address. This risk would be minimised if documentary evidence of proof of address/tenancy was sought at the time of the transfer application being considered.</li> </ul> |  |                            |
| 5.1.2<br>Medium                    | Discussions with a sample of Headteachers established that they are not able to request a pupil's Common Transfer Files (CTF) until after a pupil has transferred to their School. As a consequence, Schools are not fully aware of a pupil's history (both personal and academic) and  | Management should remind Schools that CTF Files can be requested prior to the pupil transferring should they require additional pupil information prior to their start date. | 31 January 2019            |



| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>find planning for a pupil transferring to their School more difficult as a result.</p> <p>However, the Head Of Service Transformation &amp; Data Systems confirmed that this is incorrect and Headteachers are able to request a pupil's CTF prior to them commencing at their new School.</p>   |   |                            |
| 5.1.3<br>Medium                    | <p>The School Admissions system is used to maintain pupil information, including the recording of notes made during a school transfer to highlight/monitor any issues or reasons for delay.</p> <p>11 In Year Transfers were identified during the review as taking longer than the 15 day timescale. However, a review of the supporting information revealed that a note had not been made on the School Admissions computer system to highlight why these delays occurred.</p>   | <p>It should be ensured that the School Admissions system is updated with appropriate notes to document the history of a pupil's transfer and any obstacles which may have prevented the transfer occurring in accordance with the timescales.</p>  | 30 November 2018           |
| 5.2.1<br>Medium                    | <p>A newly established Fair Access Protocol (FAP) Panel has been piloted since April 2018 to deal with the more complex cases of school transfers in Secondary Schools. The Panel consists of representatives from Schools and the Council. This Panel meets once every three weeks and aims to resolve and implement transfers in a more efficient manner.</p> <p>A sample of Secondary Schools were visited during the audit review to establish feedback in relation to the Fair Access Protocol Panel.</p> <p>Whilst overall, Schools provided positive feedback that the FAP Panel</p> | <p>Management should ensure that the minimum information required to make an informed decision is available for presentation and review at each FAP Panel meeting for all transfer cases.</p> <p>A detailed specification of the minimum requirements for referral to the FAP Panel should be determined, both for transparency of the process and to avoid the possibility of receiving any inappropriate referrals that</p> | 28 February 2019           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>has greatly increased the transparency in relation to transferring the more complex pupils between Schools, the following issues were noted:</p> <ul style="list-style-type: none"> <li>• As FAP Panels meet every 3 weeks, depending on the timing of the referral there is a potential for a delay in the transfer request being received and reviewed.</li> <li>• There is a minimum level of information that is required for a FAP referral to be processed and this may vary on a case by case basis (depending on the pupil). 1 occasion was identified where the minimum information had not been obtained for the Panel meeting and the request could not be reviewed. This was subsequently added to the next Panel 3 weeks later.</li> <li>• For all FAP Panel referrals, the LEA provide the School with 20 hours of additional funding for each pupil transferred. There is currently no detailed specification of the minimum requirements to meet the criteria for a FAP referral to demonstrate the rationale behind which cases are reviewed and transparency in the process.</li> </ul> | <p>could be dealt with outside of the Panel process.</p> <p>Management may also wish to consider the feedback from Headteachers to ensure their continued support of the FAP Panel, allowing more complex transfers to be processed in a timely manner, and pupils placed at their new School more efficiently.</p> |                            |

**AUDIT NAME: MISKIN PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 08/11/2018**

### **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.

Miskin Primary School was last subject to an Internal Audit Review in November 2014 and this is the third cyclical visit made to the School to examine progress made under the Self Evaluation process.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at their Autumn Term 2018 meeting.

### **SCOPE & OBJECTIVES**

The checklist for non-chequebook primary schools comprises 105 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using 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.

### **AUDIT OPINION**

#### Governance

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

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

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

#### Safeguarding & Educational Visits

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

Testing identified that all staff received the appropriate clearances before commencing duties in their posts. While good practice is noted in that Level 3 Safeguarding training was provided to all staff employed at the School on 1st September 2016, no refresher training has been provided since (note: fieldwork for this audit took place in October 2018). In addition, this audit confirmed new staff members had joined the School during this time, but they had not received Level 1 or 3 training. It is accepted that all staff at the School have been booked to attend the relevant training by the end of the Autumn Term; this report recommends that Safeguarding training is renewed / provided in line with the current requirements.

The School have a Safeguarding and Child Protection Policy, which is reviewed annually, and there was documentary evidence at the School to confirm that all members of staff have received a copy of the Policy, have read and understood it.

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

#### School Private Fund

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

The Treasurer maintains an adequate audit trail of all income and expenditure transactions. A ledger is maintained and whilst this was up to date at the time of the review, was not in the correct format. This report recommends that an appropriate ledger be introduced and maintained in a format which is in accordance with the School Private Fund Regulations.

The account is reconciled to the bank statements monthly and for the previous academic year (2017/18) all expenditure was solely for the benefit of the pupils / school in accordance with the School Private Fund Regulations and all was supported with receipts / invoices.

#### Purchase Card

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

There are 2 Purchase Cards at the School and there is a sufficient audit trail in respect of evidence being available that supports the expenditure for both cards. Audit testing identified that only 1 Transaction Log has been introduced at the School, this being updated with items of expenditure for both cards on receipt of the Bank Statement. This report recommends that a separate Transaction Log is maintained for each purchase card held for clarity and that the logs are updated immediately a purchase is made.

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

#### School Meals

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

Dinner money is updated to SIMS and banked regularly, and the School manage their arrears in line with the Catering Finance School Meal Protocol. Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained, and the school meals income records are regularly reviewed by an independent senior member of staff to ensure that these are complete, accurate and agree with deposits made at the bank.

School Budget

The control environment in relation to the School Budget is considered to be effective and there are no findings contained within this report. A regular review of the Budget is undertaken by the Headteacher and details of the School's budgetary position is reported to the Governing Body at every meeting. Pupil numbers were reviewed and no discrepancies were noted.

Data Protection & Security

The control environment in relation to Data Protection & Security is considered to be effective and there are no findings contained within this report. The School is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. The School Inventory is up to date and ICT equipment is asset registered. 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<br><br>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:</p> <p>'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'.</p> <p>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be renewed every 3 years and facilitated by RCT with Level 3 training provided every 2 years (in house Level 1 refresher training should also be delivered annually by Level 3 trained staff).</p> | <p>The Headteacher should ensure that Safeguarding training is renewed as and when required for all members of staff.</p> <p>The School should develop a central training record to demonstrate the date and level of safeguarding training alongside individual staff names.</p> <p>This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p> | 30 November 2018           |

| SUMMARY OF RECOMMENDATIONS: |   |  |                     |
|-----------------------------|---|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             | <p>While all staff employed at the School on 1st September 2016 undertook Level 3 training, the training has now expired and a further 8 members of staff have commenced employment at the School.</p> <p>NB. It is acknowledged that on being made aware of these requirements, the Headteacher made arrangements for all staff to undertake appropriate training in line with the requirements.</p> |  |                     |
| 5.1.2<br>Low                | <p>Comparison of the School's list of staff to the Vision system identified 2 casual members of staff on Vision but not on the School's list.</p> <p>It was established that both members of staff no longer work at the School.</p>  | Where staff leave, the Headteacher must ensure that Human Resources are informed so that the Vision system can reflect those changes.  | 30 November 2018    |
| 5.2.1<br>Medium             | <p>All statutory policies and documents were in place at the School and were found to have been reviewed within the last year i.e. they were all signed and dated by the Chair of Governors during October 2017.</p> <p>It was not evident within the Governing Body minutes whether some policies / documents have been formally ratified by the Full Governing Body.</p>                            | The Headteacher and Governing Body should ensure that any policies that are updated/amended are presented to the Full Governing Body for ratification with a record held of this (recorded via the minutes). | 30 November 2018    |
| 5.4.1<br>Medium             | <p>Section 6 of the Cardholder Manual for School document issued by Procurement Services states that:</p> <p><i>'Each Purchasing Card transaction should be recorded on the</i></p>   | Separate Transaction Logs should be maintained for each Purchase Card held at the School.  | 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>The School has two purchase cards, one held by the School Caretaker and one held by the Headteacher.</p> <p>However, there is only one Transaction Log in place at the School - this being used to record the transactions in respect of both cards.</p> <p>Additionally, it is only updated on receipt of the bank statement and is therefore not an up to date record of expenditure.</p> | <p>Details of all Purchase Card transactions should be promptly updated onto the transaction log.</p> <p>The Transaction Log should then be used to reconcile to the Bank Statements.</p> |                     |

**AUDIT NAME: MOUNTAIN ASH COMPREHENSIVE SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 06/11/2018**

### **INTRODUCTION**

Mountain Ash Comprehensive School is an 11 to 18 mixed English school serving the town of Mountain Ash and its surrounding villages. There are 870 pupils on roll, of which, there are 76 in the sixth form. The proportion of pupils eligible for a free school meal currently stands at 37% which is above the national average.

The total budget for the School for the current financial year is in excess of £3.9m.

Mountain Ash Comprehensive School was last subject to a routine Audit review in January 2016, and since the review, a new Headteacher and School Bursar have been appointed.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at their Autumn Term 2018 meeting.

### **SCOPE & OBJECTIVES**

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

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

- Governance;
- Safeguarding;
- School Private Fund;
- Purchasing;
- Purchase Card; and
- Budgetary Control.

### **AUDIT OPINION**

#### Governance

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

While the roles and responsibilities of the Governing Body and its sub committees have been set out in writing, this review has identified that committee membership for some statutory committees needs to be reviewed. Governing Body meetings are clerked by the School Manager with copies of all minutes and agendas being held. However as this is being done electronically, requirements in respect of signing Governing Body minutes are currently not being followed.

The financial limits for delegated authority have been formally agreed and minuted, and staff involved in the financial decision making process have these



responsibilities delegated in their job descriptions. A Register of Business Interests is in place at the School; however 4 declarations were not present at the time of audit. There is currently 1 parent Governor vacancy; however it is acknowledged that the Clerk to the Governors has advertised to fill the position.

#### Safeguarding

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

The School has established a Safeguarding & Child Protection Policy; however this Policy has not been signed in accordance with the Cwm Taf Safeguarding Children Guidelines. Additionally, no evidence could be found at the School during the visit to demonstrate that each member of staff had received and read the Policy. It was also found that conflicting information had been provided to parents regarding the availability of the Policy on the School website (no copy could be located online). A record is held at the School of staff who have been DBS checked and testing confirmed that no staff commenced employment at the school prior to the completion of the required pre-employment checks.

Level 1 training has been provided to the whole school, although there was no evidence available to demonstrate that 8 members of staff have received formal training.

The School use the EVOLVE system to record details of residential / adventurous trips. Care should be taken to ensure that all trips/activities are entered within the correct timescales as this had not been done for 3 of the 5 trips examined. For routine off-site visits such as sporting fixtures/tournaments the Headteacher should ensure that all are entered onto the EVOLVE system within the correct timescales as stated within the document 'Planning and Approval Procedures for Educational Visits', with staff made fully aware of their responsibilities.

#### School Private Fund

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

The Treasurer maintains detailed records, with a clear audit trail of all income and expenditure transactions. The account is subject to regular reconciliation and a copy of the most recent bank mandate is held on file. Evidence to support private fund expenditure incurred is also available at the School and there were no instances noted of fund expenditure that was not in line with the School Private Fund Regulations.

The School has standardised the process and records to be used for administering trips, and the procedures are being followed by staff with the records examined found to contain both consistent and sufficient detail of income and expenditure transactions. It was however identified that a Statement of Account is not routinely completed at the conclusion of any trip. This is the only finding noted for the School Private Fund area and this recommendation had also been made previously.

#### Purchasing

The control environment in respect of the Purchasing system is considered to be effective.

There is a process in place in that all purchases are authorised by the budget holder prior to committing the School to expenditure. From a sample of 10 completed orders, all had been authorised in accordance with this procedure and all payments in the sample examined were supported by valid VAT invoices. However, from a sample of 5 non-order invoice payments examined, it is likely that a prior request would have been made for the services provided / goods requested for 4 payments and consequently, official Purchase Orders should have been raised on SIMS beforehand. It was not evident that the cheque signatories examine documentation prior to authorising cheques.

#### Purchase Card

The control environment in respect of the Purchase Card is considered to be insufficient and requires improvement.

There are 3 Purchase Cards at the School. It was identified one of the Card Holders does not update their Transaction Log, this being done retrospectively by the School Manager. Occasions were also identified whereby the School Manager had also updated the Transaction Log in respect of the third card. The Transaction Log maintained by the School Manager is however updated correctly as and when transactions occur. A review of the Transaction Logs revealed that eradicating fluid had also been used.

During the sample period examined there were 2 occasions where books had been ordered and delivered to a teacher's home address. It was established that this member of staff had details of the School Purchase Card saved to their home device, allowing purchases to be made without physically obtaining the card. It is acknowledged that the School Manager made repeated requests to delete the card details, and while the expenditure was accounted for this practice contravenes protocol and should be discontinued. 2 of the 3 Purchase Cards are held with the Cardholders at all times (including evenings, weekends, school holidays etc.) and although a Purchase Card Sharing Log is in place at the School, the date / times the card is taken / returned is not always recorded.

Receipts were present to support all items of purchase card expenditure for the 2 month sample period tested; however, 12 occasions were noted whereby an appropriate VAT receipt had not been obtained, even though VAT had been reclaimed.

Purchase Card transactions are not easily identifiable within SIMS as no reference to the Purchase Card is made when undertaking Cash Book Journals.

#### Budgetary Control

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

The School has set a deficit budget for the current financial year and work closely with the Local Education Authority to review the plan and take the required action if circumstances change.

At a Finance Sub Committee meeting of the 20<sup>th</sup> November 2017 Governors specified 'the possibility of tightly monitoring spend on capitation with the potential to make some savings'. The School Manager stated that individual budget holders are provided with a Cost Centre Transaction Listing each term but no guidance has been given to staff as to the level of budget monitoring to be undertaken. This report recommends that the School consider introducing manual Budgetary Control sheets and guidance notes for Budget holders to record all instances of income, committed and actual expenditure. These can then be compared, along with copy orders / requisitions, to the SIMS transaction reports upon receipt.

The implementation of the recommendations made within this report will enable the Headteacher to further enhance the standard of administration at the School.

### **SUMMARY OF RECOMMENDATIONS:**

| <b>REPORT REF. &amp; PRIORITY</b> | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|-----------------------------------|--|--|----------------------------|
| 5.1.1<br>Medium                   | Section 47 of 'The Government of Maintained Schools (Wales) Regulations 2005 states that:<br><br>'The Clerk...must ensure that minutes of the proceedings of a meeting | In line with statutory requirements, all governing body and sub-committee meeting minutes should be signed and all original paper copies retained at the school. | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>of the Governing Body are drawn up and signed by the Chair...Minutes of proceedings must be entered into a book kept for the purpose by the Clerk or on loose leaf pages consecutively numbered; but in that case the person signing the minutes must initial each page.'</p> <p>All minutes are held electronically by the Clerk to the Governing Body. Of the 14 sets of minutes examined, only 4 sets had been signed by the Chair of Governors.</p>  | <p>Where minutes are loose-leaf, each page should be initialled and the last page signed and dated.</p>  |                            |
| 5.1.2<br><br>Medium                | <p>Section 2.9 of the Scheme for Financing Schools states that:</p> <p>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</p> <p>Although a register has been established, no declaration was present for 4 Governors.</p> | <p>A declaration of business interests register should be completed on an annual basis which details the business interests of all Governors, the Headteacher and any other staff who may influence financial decisions at the School.</p> <p>Care should be taken to ensure that a declaration is completed by every Governor as soon as possible after the start of the academic year 2018/2019.</p> | Implemented                |
| 5.1.3<br><br>Medium                | <p>Section 54(2) of 'The Government of Maintained Schools (Wales) Regulations 2005' states that:</p> <p>'The Governing Body must determine the constitution, membership and terms of reference of any committee it decides to establish and review them annually.'</p>  | <p>The Clerk to the Governing Body should ensure that when membership for each Sub-Committee is determined, appointments made should be in accordance with the RCT recommended Committee Structure and Terms of Reference.</p>   | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>Whilst the Governing Body's composition and committee structure has been established, the membership in respect of the following 4 sub committees is not in accordance with the recommended structure/numbers:</p> <ul style="list-style-type: none"> <li>• Finance;</li> <li>• Pupil Discipline;</li> <li>• Performance Management Appraisers; and</li> <li>• Performance Management Appeal Appraisers.</li> </ul> |   |                            |
| 5.1.4<br>Medium                    | <p>Section 43(d) of The Government of Maintained Schools (Wales) Regulations 2005 states:</p> <p>'The Clerk to the Governing Body must maintain a register of governors' attendance at meetings'</p> <p>Of the 14 sets of minutes examined, attendance sheets were only present for 7.</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                |
| 5.1.5<br>Low                       | <p>The membership of Governing Bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 20 Governors.</p> <p>Audit testing established that there is currently 1 Parent Governor vacancy.</p>   | <p>The school should continue to endeavour to fill the Governor vacancy as soon as possible.</p>  | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |   |   |                     |
|-----------------------------|---|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION  | IMPLEMENTATION DATE |
| 5.1.6<br>High               | All statutory policies and documents were requested during the audit fieldwork. Not all policies / documents were provided and there were some that had not been reviewed in line statutory requirements.   | <p>The Headteacher and Governing Body should ensure that all statutory policies and documents are in place at the School.</p> <p>A rolling review programme of all Policies should be introduced to ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p> | 31 December 2018    |
| 5.2.1<br>Medium             | <p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states:<br/><i>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</i></p> <p>No evidence could be located at the School during the audit visit to demonstrate that the staff had received, read and understood the latest Child Protection Policy.</p> <p>Additionally, the Child Protection Policy has not been signed by the</p> | <p>The Child Protection Policy should be signed and dated by each designated member of staff with Child Protection responsibility, including the Chair of Governors and the Governor with designated Child Protection responsibility.</p> <p>The Designated Senior Person should also ensure that all members of staff sign to demonstrate that they have received, read and understood the Child Protection Policy.</p>  | Implemented         |

| SUMMARY OF RECOMMENDATIONS: |   |  |                     |
|-----------------------------|---|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             | Headteacher or the 3 members of staff with designated Child Protection responsibility.  |  |                     |
| 5.2.2<br>Low                | <p>Section 2.21 of the Keeping Learners Safe Guide 'Responsibilities of Governing Bodies / Proprietors' states:<br/> <i>"Governing bodies of maintained schools, governing bodies (Corporations) of FE institutions, and proprietors of independent schools should ensure that their respective organisations have effective child protection policies and procedures in place that are made available to parents or carers on request"</i>.</p> <p>While reference is made to Child Protection and Safeguarding within the School Prospectus, it states that the Safeguarding Policy is available to view on the School Website – however no such Policy was available to view on the School's website at the time of the visit.</p> | In accordance with the intentions of the School, the Child Protection Policy should be made available on the School Website.   | Implemented         |
| 5.2.3<br>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:<br/> <i>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</i>.</p> <p>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be renewed every 3 years and facilitated by RCT with Level 3</p>   | <p>Level 1 Safeguarding training should be arranged for the 8 members of staff identified as soon as possible.</p> <p>Furthermore, 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</p> | 31 December 2018    |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>being trained every 2 years (in house refresher training should also be provided annually and as and when required by Level 3 trained staff).</p> <p>Whilst formal Level 1 training was provided by Cwm Taf on 12th March 2018, a review of the attendance sheet identified that 8 members of staff were not recorded as present for this training. Furthermore, although a list of 10 members of staff that had undertaken Level 3 training was provided, only 5 certificates were available at the School.</p>  | <p>record to demonstrate the date and level of safeguarding training alongside individual staff names.</p> <p>This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p>   |                            |
| 5.2.4<br>Low                       | The school staff list detailing staff DBS reference numbers includes 1 member of staff who is no longer employed at the School and does not include 1 new member of staff.   | The School should ensure that where staff, permanent or casual, commence / terminate employment with the school, the school list is updated to reflect this.  | Implemented                |
| 5.2.5<br>Medium                    | <p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits / adventure activities must be 'planned and approved using the Evolve system at least 28 days before visit'.</p> <p>From a sample of 5 trips examined, 3 trips had not been updated onto EVOLVE within the correct timescales:</p> <ul style="list-style-type: none"> <li>• Llangrannog 9.3.18<br/>Not created on EVOLVE until 26.2.18</li> <li>• Iceland 29.10.17<br/>Not created on EVOLVE until 2.10.17</li> <li>• Spain 14.7.17<br/>Created on EVOLVE 26.4.17 but not authorised until 16.6.17 by the</li> </ul> | Care should be taken to ensure that all trips / activities (including routine sporting fixtures) are entered onto EVOLVE within the correct timescales and are correctly classified in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate. | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |  |   |                     |
|-----------------------------|--|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION  | IMPLEMENTATION DATE |
|                             | <p>EVC before authorisation by the LA on 19.6.17</p> <p>Furthermore, it was also established that routine off site sporting fixtures are not being recorded on EVOLVE.</p>   |   |                     |
| <p>5.3.1</p> <p>Medium</p>  | <p>Point 9.1 of the School Private Fund Regulations states:<br/><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, (An example is included as Appendix 9) which must be reconciled to the ledger'.</i></p> <p>Testing of the USA SKI 2018 and Barcelona 2018 trips identified that Statement of Accounts had not been completed. The Treasurer confirmed that they are not routinely completed at the conclusion of trips.</p> <p>This finding was contained within the last audit report.</p> | <p>In accordance with the School Private Fund Regulations and the School's own Trip Pack procedures, a statement of account should be completed at the conclusion of each trip and passed to the Treasurer for retention with the School Private Fund records.</p>  | <p>Implemented</p>  |
| <p>5.4.1</p> <p>Medium</p>  | <p>A sample of 5 non-order invoice payments was examined.</p> <p>Of the 5, it is likely that a prior request would have been made for the services provided / goods requested for 4 payments and consequently, official Purchase Orders should have been raised on SIMS:</p> <ul style="list-style-type: none"> <li>• Edwards Coaches: 2 coaches for awards evening and homework bus;</li> </ul>   | <p>An order (confirmation if made by telephone) should be raised on SIMS as soon as a commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and that there is a hard copy of the items ordered at the school which can be used to check the</p> | <p>Implemented</p>  |



| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <ul style="list-style-type: none"> <li>• Lead Creative Schools;</li> <li>• Lead Creative Schools; and</li> <li>• Freestyle: Motivational speaker.</li> </ul>  | subsequent delivery of goods and relevant invoice.   |                            |
| 5.4.2<br>Low                       | From a sample of 15 cheque payments reviewed it was noted that although a cheque authorisation slip was present for each payment, none had been signed / initialled by any of the cheque signatories to demonstrate that the payment was correct before being issued by the cheque signatories.   | Cheque authorisation slips should be signed by at least one of the cheque signatories to confirm that the details agree to the actual cheque payment.  | Implemented                |
| 5.5.1<br>Medium                    | <p>There are 3 Purchase Cards at the School. Audit testing identified one of the Card Holders does not update the Transaction Log, instead it is updated by the School Manager retrospectively. Occasions were also identified whereby the School Manager had also updated the Transaction Log in respect of the other card.</p> <p>The third Transaction Log maintained by the School Manager was found to be correctly completed.</p> <p>A review of the Transaction Logs also revealed that eradicating fluid has been used.</p> | <p>Details of all Purchase Card transactions should be promptly updated onto each Transaction Log by the individual Card Holders.</p> <p>No eradicating fluid should be used on prime financial documents. If a mistake needs to be amended it should be crossed through, initialled and a new entry made.</p> | Implemented                |
| 5.5.2<br>High                      | <p>Examination of the Purchase Card expenditure identified 2 occasions whereby books had been delivered to a Teacher's home address.</p> <p>It was also identified that the card details had been stored to the teacher's personal account allowing further orders to be placed without the need to access the Purchase Card.</p> <p>It is acknowledged that the School Manager made repeated requests</p>  | <p>All Purchase Card purchases should be made using the School name and delivery made to the School address.</p> <p>Under no circumstances should the School's Purchase Card details be recorded on the personal accounts for any member of staff and this should be communicated clearly by</p>               | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | for the card details to be removed. Internal Audit can also confirm that no inappropriate transactions have taken place.  | the Headteacher to all members of staff.   |                            |
| 5.5.3<br>Medium                    | Although receipts were present to support all items of purchase card expenditure, for the sample period tested (May and June 2018) 12 occasions were noted whereby no appropriate VAT receipt had been obtained, although VAT had been reclaimed. | <p>Every effort should be made to obtain appropriate VAT receipts where VAT is to be reclaimed. An appropriate VAT receipt should include:</p> <ul style="list-style-type: none"> <li>•details of the sale including the tax date;</li> <li>•the supplier's VAT registration number;</li> <li>•the amount paid for the goods or services; and</li> <li>•the amount of VAT that the supplier has charged to you.</li> </ul> <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p> | Implemented                |
| 5.5.4<br>Medium                    | Discussions at the School established that 2 of the 3 Purchase Cards are held with the Cardholders at all times, including evenings, weekends and School holidays.  | When not in use, the School Purchase Cards should be held securely at the School.  | Implemented                |
| 5.5.5                              | Although a Purchase Card Sharing Log is in place at the School, the   | A card sharing log should be maintained for  | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
| Low                                | date / times the card is taken / returned were not always recorded.   | each Purchase Card held at the School and care taken to ensure that the card sharing log is fully completed (including the times the card is taken and returned together with the signature of the member of staff).                                      |                            |
| 5.5.6<br>Low                       | Whilst the Purchase Card Bank Statements show clear evidence of a reconciliation process being undertaken, the statements are not signed and dated by the person undertaking the exercise.  | On completion of the Bank Reconciliation process, the Purchase Card 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.  | Implemented                |
| 5.5.7<br>Low                       | <p>Discussion at the School revealed that a cash book journal is undertaken immediately following a Purchase Card purchase being made.</p> <p>For the sample period tested (May and June 2018) whilst cash book journals had been undertaken as per the system intended by the School, it was noted that no reference to the Purchase Card is being made, instead, reference is made to the items purchased.</p> <p>It was also noted that 2 cash book journals had not been undertaken for 2 purchases (Amazon and Mosaic events).</p> | SIMS should provide a meaningful analysis of all income and expenditure, with clear details of the classification and type of activity recorded. All Purchase Card payments should be clearly identified on SIMS with the Purchase Card reference number. | Implemented                |
| 5.6.1<br>Medium                    | The School Manager stated that individual budget holders are provided with a Cost Centre Transaction Listing termly but no guidance has been given to staff as to the level of budget monitoring to be undertaken.  | In accordance with the intentions of the Governing Body, the School Manager should circulate SIMS Cost Centre transaction reports to all Budget Holders on a regular basis i.e. monthly.  | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |   |   |                     |
|-----------------------------|---|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION  | IMPLEMENTATION DATE |
|                             | <p>The records relating to 3 Capitation departments were examined and inconsistencies were noted between all 3 departments:</p> <ul style="list-style-type: none"> <li>• Maths - 2 SIMS cost centre transaction reports were present on file - neither showed any evidence of review.</li> <li>• History - 5 SIMS cost centre transaction report were present on file but none showed any evidence of review. In addition, some delivery notes / copy invoices were present on file but none of these documents showed any evidence of review.</li> <li>• Science - 1 SIMS cost centre transaction report was present on file but this showed no evidence of review. A large file is being retained which contains numerous internal requisitions, and copies of despatch notes.</li> </ul> | <p>Furthermore, the School should consider introducing manual budgetary control sheets and guidance notes for budget holders to record all instances of income and committed and actual expenditure which can then be compared (along with copy orders/requisitions) to the SIMS transaction reports upon receipt.</p> <p>The reports should be signed and dated by the Budget Holder to demonstrate that reconciliation has taken place and retained within the departmental budget records for reference.</p> <p>The School is also reminded that despatch notes / delivery notes and any original documentation should not be retained within the departments but returned to the Finance officer for retention with the original order.</p> |                     |

**AUDIT NAME: PARCLEWIS PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 08/11/2018**

### **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.

Parc Lewis Primary School was last subject to an Internal Audit Review in November 2014 and this is the third cyclical visit made to the School to examine progress made under the Self Evaluation process.

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

### **SCOPE & OBJECTIVES**

The checklist for non-chequebook primary schools comprises 105 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using 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.

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.

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

#### Safeguarding & Educational Visits

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

Testing identified that all staff received the appropriate clearances before commencing duties in their posts. While there are 3 members of staff who are Level 3 trained, it was noted that for 1 member of staff, the training provided was in March 2016 and has now expired. In addition, although level 1 Safeguarding training was provided to the School on 3<sup>rd</sup> September 2018, there were 5 members of staff who were not present for the training and this report recommends that staff attend relevant training as soon as possible.

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

The School make use of the EVOLVE system to record details of all off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'. However, audit testing identified that a recent residential trip had not been entered onto EVOLVE and authorised within the required 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 an adequate audit trail of all income and expenditure transactions. A ledger is maintained and while this was up to date at the time of the review, was not in the recommended format. This report recommends that an appropriate ledger be introduced and maintained in a format which is in accordance with the School Private Fund Regulations.

The account is reconciled to the bank statements monthly. For the previous academic year all expenditure was solely for the benefit of the pupils / School in accordance with the School Private Fund Regulations and all were supported with receipts / invoices.

#### Purchase Card

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

There is a sufficient audit trail in respect of evidence being available that supports the expenditure for the Purchase Card. Audit testing identified that the Transaction Log is up to date with recent items of expenditure and purchases reviewed were supported with documentation i.e. receipts, invoices and confirmation for on-line orders.

#### School Meals

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

Dinner money is updated to SIMS and banked regularly, and the School manage their arrears in line with the Catering Finance School Meal Protocol. Testing identified that free school meals are only provided to those for whom eligibility had been confirmed and the school meal income records are

regularly reviewed by an independent senior member of staff to ensure that these are complete, accurate and agree with deposits made at the bank.

School Budget

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

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

Data Protection & Security

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

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

The School Inventory is up to date and ICT equipment is asset registered.

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<br><br>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:</p> <p>'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'.</p> <p>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be renewed every 3 years and facilitated by RCT with Level 3 being trained every 2 years (in house Level 1 refresher training should also be delivered annually by Level 3 trained staff).</p> <p>While there are 3 members of staff who are Level 3 trained, it was</p> | <p>The Headteacher should ensure that safeguarding training is renewed as and when required for all members of staff and the certificates 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> | 31 December 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>noted that for 1 of these members of staff, the last training provided was in March 2016 and is therefore due for renewal.</p> <p>In addition, level 1 Safeguarding training was provided to the School on 3<sup>rd</sup> September 2018; however, there were 5 members of staff who were not present for the training.</p>  |   |                            |
| <p>5.1.2</p> <p>Medium</p>         | <p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states:</p> <p>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</p> <p>There was no evidence at the School that staff had received, read and understood the Child Protection Policy.</p> <p>NB. It is noted that a proforma was introduced during the audit fieldwork which will be completed following review of the Safeguarding Policy during the Autumn Term Governing Body meeting.</p> | <p>Following the review of the 2018 Child Protection Policy, the Headteacher should ensure that all members of staff sign to demonstrate that they have received, read and understood the policy.</p>   | <p>30 November 2018</p>    |
| <p>5.1.3</p> <p>Low</p>            | <p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits / adventurous activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'.</p> <p>The recent residential trip to Llangrannog had not been entered onto EVOLVE and authorised within the correct timescales:</p>   | <p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate.</p> | <p>30 November 2018</p>    |



| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | Llangrannog - 14.05.18<br>Created on EVOLVE 1.5.18<br>Not submitted for authorisation until 8.5.18.   |  |                            |
| 5.2.1<br><br>Low                   | Section 2.9 of the Scheme for Financing Schools states that:<br><br>'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'.<br><br>Although a register had been established, no declaration was present for 1 Governor and the declaration was out of date for another. | Declarations should be completed immediately in respect of the Governors identified.   | 30 November 2018           |
| 5.2.2<br><br>Low                   | A number of Sub Committee minutes were examined that had not been clerked by the Governor Support Officer. It was noted that no attendance sheets for these meetings had been retained.   | Attendance sheets for all Governing Body subcommittee meetings, not clerked by the Governor Support Officer, must be retained at the School and held in a manner that makes them easy to locate.                           | Implemented                |
| 5.2.3<br><br>Medium                | All statutory policies and documents are in place at the School, and all demonstrate a regular review.<br><br>However, whilst all policies and documents are endorsed with the date of the last review, it was not evident within the Governing Body minutes that all had been presented to the Governing Body.   | All policies and documents should be presented to the Governing Body for review and ratification (and this should be minuted).<br><br>Any policies that are updated/amended need to be presented to the Governing Body for | 30 November 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |   |                            |
|------------------------------------|---|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    |   | ratification with a record held of this (recorded via the minutes).   |                            |
| 5.3.1<br>Medium                    | The entries in respect of Private Fund income / expenditure should allow for prompt reconciliation within each financial period.<br><br>Examination of the current ledger revealed that it does not meet this format, with no running balance maintained. | All expenditure transactions should be clearly recorded against any income received for the same period.<br><br>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 recorded following each transaction. | Implemented                |
| 5.3.1<br>Low                       | Whilst all bank statements show evidence of a check (i.e. items are cross-referenced to the Ledger) the bank statements are not signed and dated by the person undertaking the bank reconciliation exercise.  | The bank statements and the Ledger should be signed and dated as evidence of the reconciliation exercise being complete.  | Implemented                |
| 5.3.2<br>Low                       | All income is recorded directly onto a Record of Daily Income Sheet; however, this record is not totalled and ruled off when income is deposited at the bank.   | The Record of Daily Income should be ruled off and totalled when a banking is made. This can be used to update the fund ledger and assist in the bank reconciliation process.   | Implemented                |

**AUDIT NAME: YSGOL LLANHARI**

**DATE FINAL REPORT WAS ISSUED: 26/10/2018**

### **INTRODUCTION**

Ysgol Llanhari is a 3 - 19 mixed Welsh medium School predominantly serving the lower Taff area. There are 631 pupils at the School, including 63 in the sixth form. The proportion of pupils entitled to free school meals currently stands at 5.9%, which is below the national average of 17.4%.

The total budget for the School for 2017/18 was £2,881,195. Ysgol Llanhari was last subject to a routine audit visit in March 2015.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at its 5<sup>th</sup> December 2018 meeting.

*Note to Audit Committee Members – the fieldwork for this audit review took place during the 2017/18 financial year.*

### **SCOPE & OBJECTIVES**

All 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, and therefore necessitating review.

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

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

### **AUDIT OPINION**

Overall, the control environment in relation to the School's financial and governance arrangements is considered to be insufficient and requires improvement.

A review of the responsibilities of the administrative / finance staff and School Bursar should be completed to ensure that the processes in place are robust, efficient and undertaken in an appropriate way going forward.

This report contains a high number of recommendations, the most significant of which are:

#### Safeguarding & Governance

Whilst the School was able to provide copies of all required Policies and Procedures, they could not demonstrate that 11 Policies had been reviewed regularly, updated and ratified by the Governing Body.

Financial limits and responsibilities have not been delegated by the Governing Body to designated staff.

Quorum levels for each Committee have not been documented.

For 9 members of staff, the School could not demonstrate safeguarding training had been provided.

Payments have been made to an individual with no prior HMRC IR35 questionnaire completed.

Not all staff have signed to demonstrate that they have received, read and understood the Child Safeguarding Policy.

#### School Private Fund

Balances held for trips have not been refunded to pupils.

Income records were not available or are inaccurate within the Primary Department.

The Fund Ledger is not in an appropriate format i.e. no running balances.

The Fund Treasurer undertakes the reconciliation of the Fund but is not independent to the collection and banking of income.

The School Bursar is named as the Fund Secretary, but does not undertake this role at all times.

No Statements of Account are completed following each Trip/Event.

#### Purchasing

The current Finance Policy document in place at the School is not sufficient and requires review and updating.

Staff are not following the required processes for raising, receiving and paying for purchase orders.

The School hold a number of store cards/accounts at various shops/businesses. By using these, they are bypassing the official purchasing and authorising processes.

#### Purchase Card

The School has two purchase cards but only one Transaction Log is maintained.

The cardholders confirmed that other members of staff utilise their Purchase Cards. However, the record held for the Primary Department card is not always completed.

#### School Income & School Meals

High levels of school meals arrears within the Primary Department and non-compliance with the arrears protocols.

Security arrangements for income received are poor within the Primary Department.

No independent review of school meals records within the Primary Department.

Teachers collecting income for sales of books etc., but do not maintain any records.

SIMS not used to raise invoices.

Implementing the recommendations contained in the report will enhance the current levels of control. Thereafter, the Headteacher needs to ensure that there is a regular review of the financial administration of the School, with evidence of this being available.

The Headteacher should also consider how purchases are made by the School. At present, the majority are made using the official ordering system (SIMS).

However, the intended systems put in place are not being adhered to. The Headteacher should consider increasing the use of the Purchase Cards held by the School, which is a more efficient use of staff time, and also allows resources to be redirected elsewhere.

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |  |                            |
|------------------------------------|--|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
| 5.1.1<br>High                      | Whilst all Statutory Policies and Documents were in place at the time of the audit, issues were identified in terms of the frequency of review of 11 Policies, and in demonstrating that they have been presented to the Governing Body for ratification (i.e. Policies were not minuted as ratified).   | <p>The Headteacher and Governing Body should ensure that they implement a rolling programme of review for all Policies. This will ensure that all Policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, Policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>In addition, details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated.</p> | Implemented                |
| 5.1.2<br>High                      | <p>The School's Finance Policy has not been updated since September 2015.</p> <p>This review has identified the following areas where improvements to the Policy can be made: -</p> <ul style="list-style-type: none"> <li>• Since the current Headteacher's appointment to post in September 2014, the Governing Body has not formally confirmed the financial limits of delegated authority for incurring expenditure (i.e. raising orders and approving payments) and amending budgets.</li> <li>• There is insufficient detail for all areas of financial administration at</li> </ul> | <p>The Governing Body should confirm a scheme of delegation and formally record the financial limits of delegated authority within the Governing Body minutes. This will 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</p>   | 31 December 2018           |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>the School and also the roles / responsibilities of the individuals presently involved for each element within the Primary and Secondary Departments.</p>   | <p>going forward.</p> <p>Any revisions to the Policy should also take into account recommendations raised within this report.</p>   |                            |
| <p>5.1.3</p> <p>Medium</p>         | <p>The structure of the Governing Body and sub-committees is agreed at the first Autumn Term meeting of every new School year.</p> <p>The School have now devised their own 'Statutory Committees' document to show the members of the sub-committees and their roles and responsibilities. Whilst this document states the name of the sub-committee, names of the members, roles and responsibilities of the members, and whether there are any exceptions (e.g. Headteacher is not permitted to be a member of the staff disciplinary &amp; dismissal committee), the document does not state what the quorum levels are for each committee.</p> <p>Additionally, the School have devised their own format of recording minutes. These detail the School name, type of meeting, date and time, names of Governors present, names of other people present and apologies received. A table with 3 columns detailing 'matter to discuss', e.g. Policies, 'Discussions and Decisions' and 'Actions' is also included. However, it was noted that each 'matter to discuss' is not numbered; the pages are loose-leaf and are numbered; and all were initialled apart from the following:</p> <ul style="list-style-type: none"> <li>• HR &amp; Salaries Committee 1/3/2017.</li> </ul> | <p>The School's 'statutory committees' document should state the required quorum levels for each committee.</p> <p>All items discussed and the subsequent decisions should be numbered for ease of reference.</p> <p>All loose-leaf pages should be signed by the Chair of Governors.</p> | <p>Implemented</p>         |

| SUMMARY OF RECOMMENDATIONS: |   |   |                     |
|-----------------------------|---|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION  | IMPLEMENTATION DATE |
|                             | <ul style="list-style-type: none"> <li>• Full Governing body meeting 15/3/2016 - Each page of the Welsh version was signed, but only the back page of the English version.</li> <li>• Finance Committee 5/7/2017 - Only the front page signed.</li> </ul>   |   |                     |
| 5.1.4<br>Low                | <p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should include 5 LEA and 2 Teacher Governors.</p> <p>Examination of the Governing Body structure revealed that there are currently 2 LEA and 1 Teacher Governor vacancies.</p>   | The School should continue to advertise these vacancies in order to fill the positions as soon as possible.   | Implemented         |
| 5.2.1<br>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:</p> <p>'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'.</p> <p>The most recent Level 1 Safeguarding training was provided to School staff on the 30<sup>th</sup> June 2017; it was noted that 9 members of staff were not recorded as attending the training.</p> <p>There were also 5 members of staff trained to Level 3 at the School.</p> | <p>A formal record should be made each time staff at the School undertakes any Safeguarding Training.</p> <p>The Headteacher should ensure that all members of staff, including casual supervisory assistants and exam invigilators receive Level 1 Safeguarding training and those staff identified should be trained as soon as possible.</p> <p>Level 3 training should be renewed for each of the individuals identified.</p> | 31 December 2018    |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |  |                            |
|------------------------------------|--|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <p>The following issues were noted: -</p> <ul style="list-style-type: none"> <li>• Headteacher - Certificate at the School, but expired 5/11/2017 (cert dated 5/11/2015).</li> <li>• Deputy Headteacher - Certificate at the School, but expired 25/3/2017 (cert dated 25/3/2015).</li> </ul> <p>Discussions with the Headteacher identified that the designated Governor attended Level 3 training in March 2016; however there was no evidence (i.e. a certificate) at the School.</p> |  |                            |
| 5.2.2<br>High                      | <p>Examination of the Bank Account History Report identified payments are being made to an individual in respect of Welsh translation.</p> <p>No HMRC IR35 questionnaire was completed prior to appointing this individual and hence no ESI reference number was obtained.</p> <p>It is however accepted that the School have completed the online tool in respect of other individuals following receipt of the guidance by the Council.</p>  | <p>Before a School engages with an external entity for the provision of services, they must review the employment status using the HMRC online tool.</p> <p>This should be done for this individual with evidence of the check retained at the School.</p> | Implemented                |
| 5.2.3<br>Medium                    | <p>The School's Safeguarding Policy was last reviewed by the Governing Body on 8<sup>th</sup> March 2017 and at the time of the audit; the School were in the process of adopting the latest Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy.</p> <p>Point 3.1 of the Cwm Taf Safeguarding Children Board (CTSCB) Model</p>  | <p>Once the revised Child Safeguarding Policy has been formally adopted and agreed by the Governing Body, it should be ensured that the relevant staff and Governors endorse the Policy as indicated on the cover of the Policy.</p>                       | Implemented                |



| SUMMARY OF RECOMMENDATIONS: |   |  |                     |
|-----------------------------|---|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             | <p>Safeguarding Policy states:</p> <p>'The Designated Senior Person (DSP) for Child Protection will...Ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy'</p> <p>On examination, the following issues were identified:</p> <ul style="list-style-type: none"> <li>• The 2<sup>nd</sup> deputy designated person had not signed the Policy.</li> <li>• There are sheets at the School for each member of staff to sign and date to confirm that they have received, read and understood the Child Protection Policy. However the names, dates and job titles were typed in for 7 members of staff and no forms had been completed by 5 casual Exam Invigilators.</li> </ul> | <p>Each member of staff should sign to demonstrate that they have received, read and understood the Child Safeguarding Policy.</p> |                     |
| 5.2.4<br>Low                | <p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits / adventure activities must be 'planned and approved using the Evolve system at least 28 days before visit'.</p> <p>Examination of a sample of five visits recorded on Evolve identified the following issues: -</p> <p>Llangrannog 2017<br/>Date of trip - 5th - 8th December 2017<br/>Date created on Evolve - 23rd November 2017<br/>Approved by EVC &amp; Head - 26th November 2017<br/>Approved by LA - 27th November 2017</p>   | <p>Care should be taken to ensure that all trips / activities are entered onto Evolve within the correct timescales.</p>           | Implemented         |

| SUMMARY OF RECOMMENDATIONS: |   |  |                     |
|-----------------------------|---|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             | <p>Glanllyn Yr 9<br/> Date of trip - 7th - 10th July 2017<br/> Date created on Evolve - 27th June 2017<br/> Approved EVC &amp; Head - 3rd July 2017<br/> Approved LA - 3rd July 2017</p> <p>Mountain biking<br/> Date of visit - 28th September 2017<br/> Date created on Evolve - 23rd September 2017<br/> Approved EVC &amp; Head - 23rd September 2017<br/> Approved LA - 24th September 2017</p> <p>The remaining 2 trips examined were found to be entered onto EVOLVE and authorised in accordance with the recommended procedures.</p> |  |                     |
| 5.3.1<br><br>Medium         | <p>Section 9.2B of the School Private Fund Regulations states that:</p> <p>'Trips must not be run as profit making ventures. However, where a trip has been operated and makes a profit...the balance must either:-<br/> i) be divided equally and paid back to each paying pupil<br/> ii) be retained by the Private Fund, providing that consent of the parents has been given'</p> <p>Examination of fund records showed that surplus balances are being held within the fund account for trips undertaken since September 2016.</p>       | <p>The School should review all trips over a determined period of time and where a trip has resulted in a surplus of funds, the balance must either:-</p> <p>i) be divided equally and paid back to each paying pupil,<br/> or;<br/> ii) be retained by the private fund, provided that consent of the parents has been given.</p> | Implemented         |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
| 5.3.2<br>Medium                    | <p>Although it is acceptable to have the Fund Ledger in electronic format, there are certain requirements that must be met. Issues identified include:</p> <ul style="list-style-type: none"> <li>• The Ledger does not follow the required format i.e. there is no running balance recorded.</li> <li>• The Ledger is not printed off to undertake the bank reconciliation. Therefore, there is no evidence (i.e. signatures) on the Ledger to confirm it has taken place.</li> </ul> <p>Additionally, it was also found that the reconciliation is currently undertaken by the Fund Treasurer, who is not independent of the income and expenditure transactions.</p> | <p>The 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>A copy of the Fund Ledger should be printed off and retained on file for each monthly reconciliation.</p> <p>An independent person should undertake the reconciliation.</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> | Implemented                |
| 5.3.3<br>Medium                    | <p>A Management Committee for the School Private Fund has been established, although the positions held do not relate to the actual duties undertaken.</p> <p>The post of Fund Secretary is currently occupied by the School Bursar. However, this officer currently has no involvement in the daily running of the fund, with all administration of the Fund undertaken by the Fund Treasurer and other office staff.</p>  | <p>Arrangements should be made to ensure that the positions held on the School Private Fund committee relate to the actual duties undertaken.</p>  | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |  |                            |
|------------------------------------|--|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
| 5.3.4<br><br>High                  | <p>Section 9.1 of the School Private Fund Regulations states that:</p> <p>'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'</p> <p>There were no Statement of Accounts prepared for any school trips.</p>  | <p>Upon completion of a trip, a Statement of Account and all supporting records should be passed to the Fund Treasurer to be retained as per the School Private Fund Regulations.</p> <p>An example of the format required is included at Appendix 9 in the School Private Fund Regulations.</p> <p>As per 5.3.1, this will allow any surplus balances to be identified and dealt with in accordance with protocols.</p> | Implemented                |
| 5.3.5<br><br>Medium                | <p>The School have devised a system whereby income is collected daily by office staff. The Attendance &amp; Administration Officer collects income for the secondary department pupils and the Clerical Assistant collects the income for the primary departments.</p> <p>The Clerical Assistant returned from Maternity Leave in October half term. However, it was established that no daily income records could be located within the Primary Department for the period of the officer's maternity leave.</p> <p>It is however accepted that the overall totals were recorded centrally by the Fund Treasurer.</p> <p>From examination of three Primary Department trips (Heritage Park, Cefn Mably and Big Pit) it was established that none of the records</p> | <p>It should be ensured that consistent trip records are maintained within the school, including during periods of staff absence.</p> <p>It should be ensured that all daily trip income records reconcile to income banked.</p>   | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |  |  |                     |
|-----------------------------|--|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             | <p>held by the Clerical Assistant reconciled to the amounts banked by the Fund Treasurer. For example, for Heritage Park Trip, the class records show £598 was collected, however £629.60 was actually banked</p> <p>(It is noted that income banked was more than recorded on the trip records for all three trips examined).</p> <p>Additionally, it was found that the trip records used were different to those used by the Attendance and Administration Officer (who administers trip income for the Secondary Departments).</p>   |  |                     |
| 5.4.1<br>High               | <p>Each Budget Holder is responsible for requesting items to be ordered by the Bursar. Each Budget Holder is required to complete and sign an Order Requisition form and provide it to the School Bursar (for an official order to be raised on SIMS and authorised by the Headteacher).</p> <p>However, a review of the processes at the School revealed that this is not always the case, with some staff placing their own orders and then providing information to the School Bursar after receipt of the invoice/goods.</p> <p>Additionally, the following issues were also noted in respect of the School's purchasing arrangements: -</p> <ul style="list-style-type: none"> <li>• Orders are being raised on SIMS after receipt of the invoice, even though a prior request would have been made.</li> </ul> | <p>Budget Holders should not raise orders directly.</p> <p>Where possible the School should use the Purchase Card for the purchase of goods and payment of services.</p> <p>On the occasions that it is not possible to use the Purchase Card, an official order should be raised on SIMS for all committed expenditure. This should be done as soon as the commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and there is a hard copy of the items ordered at the school which can be used to</p> | Implemented         |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | <ul style="list-style-type: none"> <li>• The non-order facility is not being used correctly i.e. invoices are being processed as non-orders although a prior request would of been made.</li> <li>• Copy orders show no evidence of being checked to delivery notes/invoices.</li> <li>• No invoices are signed to confirm correct.</li> </ul> <p>Note: Whilst it is accepted that the School have devised a separate form for budget holders to sign and confirm deliveries are correct and invoices can be paid, there is still a requirement for the actual copy orders / invoices / delivery notes to be signed as these are the original documents received.</p> | <p>check against the subsequent delivery of goods and relevant invoice.</p> <p>Once the goods / services are received, the invoice / delivery note should be checked against the original order to ensure that the goods received agree to what was originally ordered. The order and invoice/delivery notes should demonstrate evidence of this check (e.g. items ticked) and the invoice/delivery notes should be signed and dated by an appropriate budget holder who can commit the school to expenditure.</p> |                            |
| 5.4.2<br>High                      | <p>The School Bursar confirmed that the School have opened store cards at several local businesses, whereby staff (mainly the caretaker) make purchases, without raising an order or using the Purchase Card. The School then receive an invoice in respect of the purchases made. Examples include the local petrol station, builders merchants, DIY stores.</p> <p>Note: - It can be confirmed that no inappropriate expenditure was identified</p>   | <p>The School should close all store card accounts held at the various businesses that they currently use.</p> <p>Going forward, the School should only make purchases using the chequebook or Purchase Cards.</p>   | Implemented                |
| 5.5.1<br>Low                       | <p>There are 2 Purchase Cards in place at the School: a card each for the Primary and Secondary Departments.</p>  | <p>A separate transaction log should be maintained for each Purchase Card held at the school and the supporting receipts</p>   | Implemented                |

| <b>SUMMARY OF RECOMMENDATIONS:</b> |  |   |                            |
|------------------------------------|--|---|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>   | <b>RECOMMENDATION</b>   | <b>IMPLEMENTATION DATE</b> |
|                                    | Examination of the records and discussions with the School Bursar established that only one Transaction Log detailing all card purchases is being maintained and receipts to support expenditure are being held together. It was also confirmed that difficulty is sometimes experienced retrieving receipts from staff where purchases have been made.  | retained separately.  |                            |
| 5.5.2<br><br>Medium                | Point 3.1 of the Cardholder Manual states:<br><br>'The card can be used by other authorised staff but they must sign the Signing Out/In sheet provided to record such use'.<br><br>Whilst there were Signing Out/In sheets for each Purchase Card available at the School, examinations identified that the sheets are not routinely completed for the Primary Department card.  | It should be ensured that the Signing Out/In sheets for each Purchase Card are always completed when the card is used by members of staff other than the cardholder.  | Implemented                |
| 5.6.1<br><br>High                  | A review of the current pupil balances report revealed that the School has approximately 30 pupils who have arrears in excess of the two week limit with a combined total of £1,503.95 at the time of visit.<br><br>Discussions with Catering Finance identified that they have not received arrears information from the School since January 2017.<br><br>Note: Whilst it is accepted that this period coincided with maternity leave of a member of staff involved in the process, the School should ensure continuity during periods of staff absence. | Where arrears are in excess of the prescribed limits set, then as per the recovery protocols, these should be formally referred to Catering Finance for further recovery action.<br><br>Details of the current arrears should be submitted to Catering Finance immediately. | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |  |   |                     |
|-----------------------------|--|---|---------------------|
| REPORT REF. & PRIORITY      | FINDING  | RECOMMENDATION  | IMPLEMENTATION DATE |
| 5.6.2<br>Medium             | No independent review of the Primary Departments dinner money records is currently being undertaken.   | <p>A person independent of the process of recording and banking income should review the records (i.e. subsidiary records, Bank Paying in Books) and certify that this income has been banked.</p> <p>At the end of each week, the authorised Banking Return should be signed to certify that the record is a true reflection of collections and deposits that have occurred.</p> | Implemented         |
| 5.6.3<br>High               | <p>Prior to banking, income is held in a lockable drawer in the *****to which only the *****has the key and access to.</p> <p>However, during the audit the drawer was kept partly open with the key in the lock.</p>  | <p>Income collected should be held securely (e.g. in a locked tin / in locked drawers), which are kept locked at all times.</p> <p>Access to the keys for these should then be restricted to appropriate staff.</p>   | Implemented         |
| 5.6.4<br>Medium             | <p>Examination of the Bank Paying In Book from September 2017 to the time of review established the following bankings could not be located on the Council's Financials system: -</p> <ul style="list-style-type: none"> <li>• BPIB 14/9/2017 - £75.20 - Not on Financials</li> <li>• BPIB 2/10/2017 - £454.20 -Not on Financials</li> <li>• BPIB 3/10/2017 - £228.95 on Financials</li> </ul> | The School should contact the Council's Bank Reconciliation section to determine where the bankings have been coded to within the Council's Financials system.  | Implemented         |



| <b>SUMMARY OF RECOMMENDATIONS:</b> |   |  |                            |
|------------------------------------|---|--|----------------------------|
| <b>REPORT REF. &amp; PRIORITY</b>  | <b>FINDING</b>  | <b>RECOMMENDATION</b>  | <b>IMPLEMENTATION DATE</b> |
|                                    | NOTE: - It is accepted that the School had evidence of the money being collected/banked by Loomis.  |  |                            |
| 5.6.5<br>Medium                    | <p>Examination of the processes followed by the Primary and Secondary Departments in respect of School Meals revealed the following differences: -</p> <ul style="list-style-type: none"> <li>• The Primary Departments School Clerk does not print a 'reevaluation' report which shows the amount collected for each class on a daily/weekly to support the amounts collected and banked.</li> <li>• There is no regular reconciliation in the Primary Department to ensure that the income entered onto the system agrees to the actual income banked on a daily/weekly basis.</li> <li>• Whilst the School Clerk maintains a daily income spreadsheet, if a pupil pays for a dinner on a Monday, that amount is recorded against their name. However if the same pupil pays for another dinner on Tuesday, the clerk overwrites the amount entered on the Monday to double the amount received and does not enter separate entries on the spreadsheet.</li> <li>• It was also established that the method the Primary Department's School Clerk bags the money for Loomis collection is different to the method used by the Secondary Department.</li> </ul> | <p>The Head Cook and Primary School Clerk should liaise to ensure that their procedures for recording, reconciling and banking school meal income are consistent.</p> <p>Daily reports should be produced to detail the income received. The Loomis bag numbers should be detailed on the paying in slips, and cheques and coins should be separated into different bags.</p> <p>The Primary Department School Clerk should reconcile the daily reports to the physical cash and cheques banked to ensure that they both correspond, with evidence of these checks retained.</p> | Implemented                |
| 5.7.1<br>Medium                    | <p>Staff collect money outside of the office process e.g. the Science Department sell books.</p> <p>However, no records are maintained by staff, with income passed to the office periodically to be banked. There are no supporting records to</p>   | <p>All staff receiving income outside of the office process should maintain income records. These records should then be checked and reconciled to the actual income passed to the office for banking.</p>   | Implemented                |

| SUMMARY OF RECOMMENDATIONS: |   |  |                     |
|-----------------------------|---|--|---------------------|
| REPORT REF. & PRIORITY      | FINDING   | RECOMMENDATION   | IMPLEMENTATION DATE |
|                             | confirm the amounts collected and passed for banking.   |  |                     |
| 5.7.2<br>Low                | <p>The School has a booking form in order to record full details of the hire, terms and conditions are included, and there is a space for the hirer, Site Manager and Headteacher to sign.</p> <p>At present the School only hires out premises to one organisation. However a booking form has not been completed for this hire.</p> <p>Additionally, the Site Manager, who is responsible for organising the hire of facilities, explained there is also no central diary for hires as there is currently only one hirer at the moment.</p> | <p>Booking forms should be completed for every hire of premises. These forms should be signed by the Headteacher as authorisation of the hire.</p> <p>A central diary should also be put in place.</p> | Implemented         |
| 5.7.4<br>Low                | <p>There is currently one invoice outstanding that was created on 12<sup>th</sup> May 2017 for £160 to 'Transport'.</p> <p>This payment has been pursued, however payment has yet to be received.</p>   | The School should contact the relevant Debtor in respect of the amount outstanding.  | Implemented         |
| 5.7.5<br>Low                | Examination of the bank paying in book identified that the cash and cheque breakdown is clearly recorded on each slip, with the total amount of cheques received for each activity, e.g. uniform is recorded on the back of the payslip. However, there is no breakdown of each cheque's detail i.e. cheque number, name, amount etc.   | For all cheques received, a record should be maintained of all the cheque numbers, name on cheque, date and amounts.   | Implemented         |

**AUDIT NAME: HAWTHORN HIGH SCHOOL (FOLLOW-UP)****DATE FINAL REPORT WAS ISSUED: 30/11/2018****INTRODUCTION**

Hawthorn High School was last subject to a routine Internal Audit in May 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 presentation of the final report to Audit Committee, a follow-up review was requested, to ascertain whether recommendations made at the time had been successfully implemented.

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

**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 continues to be insufficient and requires improvement.

The previous audit report contained 27 recommendations.

Following a detailed follow-up audit review of the previous recommendations, the status of each recommendation is shown below (Note: there are 3 new recommendations identified as a result of further audit testing)::

| <b>Implemented</b>   | <b>Not Implemented</b> | <b>Partially Implemented</b> | <b>New Finding</b> |
|----------------------|------------------------|------------------------------|--------------------|
| <b>GOVERNANCE</b>    |                        |                              |                    |
| 1                    | 2                      | -                            | 1                  |
| -                    | 2                      | 1                            | -                  |
| -                    | -                      | 1                            | -                  |
| <b>SAFEGUARDING</b>  |                        |                              |                    |
| -                    | -                      | 1                            | -                  |
| -                    | -                      | 1                            | -                  |
| -                    | -                      | -                            | -                  |
| <b>PURCHASE CARD</b> |                        |                              |                    |

|                          |           |          |          |
|--------------------------|-----------|----------|----------|
| -                        | 1         | -        | -        |
| 2                        | -         | -        | -        |
| -                        | -         | -        | -        |
| <b>SCHOOL INCOME</b>     |           |          |          |
| 2                        | -         | -        | 1        |
| 1                        | 1         | 2        | 1        |
| 1                        | -         | -        | -        |
|                          |           |          |          |
| 1                        | 2         | -        | -        |
| -                        | -         | -        | -        |
| -                        | -         | -        | -        |
| <b>BUDGETARY CONTROL</b> |           |          |          |
| -                        | -         | -        | -        |
| 1                        | 1         | -        | -        |
| -                        | -         | -        | -        |
| <b>ASSETS</b>            |           |          |          |
| -                        | -         | -        | -        |
| -                        | 1         | -        | -        |
| -                        | 1         | 1        | -        |
| <b>9</b>                 | <b>11</b> | <b>7</b> | <b>3</b> |

A summary of each area is provided below: -

Governance

The School recently ended their cleaning contract with Solo in April 2017. The process as to how the temporary contractor was appointed (for the period April 2017 to July 2017) and how the new 3 year contractor (which commenced in August 2017) was appointed requires a review by the Governing Body. The School employs an external Clerk to the Governing Body. At the commencement of the audit, it was identified that the Clerk had removed the file of Agendas and Minutes from the School and returned it on the day of review.

Additionally, examination of this file highlighted that the finalised signed minutes showed signs of notes and amendments made by the Headteacher.

Whilst the Committee Structures and Memberships are set out in the Terms of Reference for academic year 2017/18, they had once again not been formally documented in the Governing Body minutes to demonstrate that they were agreed by the Governing Body. Additionally, where any committee memberships

have changed, they were not raised as agenda items for Governing Body meetings and therefore are not formally documented or agreed by the Governing Body. Not all declarations of business interests have been completed or retained at the School (5 could not be located).

In respect of Statutory Policies, the School were unable to provide copies of the agreed and signed versions of any Policies that had been presented to the Governing Body since 2013-14, which were the last signed versions of each Policy held by the School.

#### Safeguarding

Whilst the School have adopted the Child Safeguarding Policy, a signed copy of the Policy was not available at the School at the time of review.

It was established that Level 1 Safeguarding training has been provided at the School on 4<sup>th</sup> September 2017; however there are still 9 members of staff (8 permanent/temporary and 1 casual) that have not yet received formal training.

Payments have been made to individuals with no prior HMRC Employability questionnaire completed.

#### School Income

The School have developed a Finance Policy that contains detail of how each area of administration should be managed; however it does not include details of the roles/responsibilities of the individuals presently involved.

There are various issues identified in respect of the hire of facilities/block bookings. These include hires not being authorised by the Headteacher, there are contracts with some hirers that are either out of date or not signed, VAT is not being correctly charged/accounted for and incorrect rates of hire have been charged in some instances.

#### Banking

Evidence to demonstrate that bank reconciliations were undertaken was inconsistent. For example, transactions were not always ticked and the bank statements were not always signed and dated. This could be attributed to the fact that there were three different members of staff undertaking this process depending on availability, which appears to be contributing to the inconsistencies.

It is noted that since the last review, the School's bank account has not been overdrawn.

#### Budgetary Control

The Finance Officer and Estates Manager undertake virements where required, and these are now undertaken appropriately.

Heads of Department are responsible for managing their own budgets. However, Budget Holders are not provided with regular budget reports from SIMS to enable them to effectively monitor and reconcile their budgets, i.e. they do not receive any formal notification if they have used their allocated budget.

#### Assets

The School have introduced a book for equipment taken off-site; however it is not completed by the person taking the items from the School.

The School still does not have an inventory and whilst there is a 3 year Building Development Plan, there remains no estimated costs attributed to any of the priorities listed in the document.

#### Purchase Card

Examinations identified that all purchases examined during the sample period had an appropriate receipt available.

This audit has identified potential inappropriate spend through the School's systems, four payments made (in July, November and December 2017) using the Purchase Card for the purchase of alcohol and gift vouchers, totalling £233.85. Although it was explained that the intention would be for these type of purchases to be reimbursed from a donation made to the School, spend of this nature (through the School's financial systems) is not considered appropriate. In future, if this kind of spend is considered necessary by the Headteacher and Chair of Governors then it must take place completely outside of the School's finances.

5.1 GOVERNANCE

| REF & PRIORITY                        | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE  | OUTCOME OF THE FOLLOW-UP AUDIT  | NEW MANAGEMENT RESPONSE  |
|---------------------------------------|---|--|---|---|--|
| <p><b>5.1.1</b><br/><b>Medium</b></p> | <p>Section 54(2) of 'The Government of Maintained Schools (Wales) Regulations 2005' states that:</p> <p><i>'The Governing Body must determine the constitution, membership and terms of reference of any committee it decides to establish and review them annually.'</i></p> <p>Whilst the Governing Body's composition and committee structure has been established, the Terms of Reference had not been formally minuted as approved for this current academic year.</p> | <p>The committee structure, composition and terms of reference should be agreed on an annual basis and minuted during the first Governing Body meeting of the academic year.</p> | <p>Estates Manager &amp; Clerk to the Governing Body</p> <p>31<sup>st</sup> January 2018.</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>Additionally it was identified that when Committee Memberships change at any point, these amendments are not formally ratified by the Governing Body.</p> | <p>The Committee Structure, Composition and Terms of Reference are minuted and agreed on an annual basis during the first Governing Body meeting of the academic year.</p> <p>Amendments to a Committee's Membership throughout the year are raised as an agenda item for the Governing Body, and formally minuted and agreed 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>The committee structure, composition and terms of reference have been agreed upon, and will be minuted during the next Full Governing Body meeting.</p>                       |   | <p>The Committee Structure, Composition and Terms of Reference should be minuted and agreed on an annual basis during the first Governing Body meeting of the academic year.</p> <p>Additionally, should there be any amendments to a Committee's Membership throughout the year, this should raised as an agenda item for the Governing Body, also be formally minuted and agreed by the Governing Body.</p>                               | <p>Chair of Governors &amp; Headteacher</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>5.1.2</b></p> <p><b>Medium</b></p> | <p>Section 47 of 'The Government of Maintained Schools (Wales) Regulations 2005 states that:</p> <p><i>'The Clerk...must ensure that minutes of the proceedings of a meeting of the Governing Body are drawn up and signed by the Chair...Minutes of proceedings must be entered into a book kept for the purpose by the Clerk or on loose leaf pages consecutively numbered; but in that case the person signing the minutes must initial each page.'</i></p> <p>All original signed minutes and attendance sheets are held off-site by the external Clerk to the Governing Body, appointed by the School.</p> <p>The Clerk provided the School with Governing Body minutes for the last 3 years for review by Internal Audit, and the following issues were noted:</p> <p><b>(CONTINUED)</b></p> | <p>In line with statutory requirements, each loose leaf page should be consecutively numbered and initialled by the Chair of Governors.</p> <p>It should also be ensured that the format and layout of the minutes are also consistent.</p> <p>All original, signed documentation should be retained at the school.</p> | <p>Clerk to the Governing Body</p> <p>Implemented</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, but audit testing has confirmed that the recommendation has been partially implemented.</p> <p>The Clerk to the Governors had taken the file containing all minutes and agendas home to put in order ahead of the audit. This was done 10 days prior to the audit.</p> <p>It was identified on examinations that within the file of minutes/agendas (which are final agreed versions) a number of the minutes have been written on with amendments/items crossed out.</p> <p>Additionally, the structure of the minutes do not appear to be appropriate, with minimal details recorded, no supporting documents attached or retained on file to refer to, and it is unclear as to what was agreed or not agreed for each item discussed. Should the Chair of a meeting leave a meeting, no replacement is put into place to act up as Chair in their absence.</p> | <p>The formal layout of the minutes are consistent.</p> <p>All original signed minutes are retained at the school.</p> <p>The structure of the minutes are appropriate and Governing Body decisions are recorded. We shall consider the wording of minutes going forward.</p> <p>Meetings are chaired at all times. We had presumed that the presence of the Chair of Governors in a meeting would suffice as a 'default' Chair if the sub-committee Chair had to leave the room. Audit have confirmed that their expectation is that, even if the Chair of Governors is present, a new Chair needs to be formally put in place each time in such a situation.</p> |

| REF & PRIORITY | ORIGINAL FINDING  | ORIGINAL RESPONSIBILITY & TARGET DATE                                     | ORIGINAL MANAGEMENT RESPONSE | UPDATED RECOMMENDATION  | UPDATED RESPONSIBILITY & TARGET DATE                                |
|----------------|---|---|------------------------------|---|---|
| Continued      | <ul style="list-style-type: none"> <li>• The minutes were inconsistently printed on headed paper;</li> <li>• Items discussed and agreed were inconsistently numbered;</li> <li>• Loose-leaf pages are not numbered;</li> <li>• Sub-committee minutes were not signed by the Chair.</li> </ul> | Agreed. The Clerk to the Governing Body has implemented this requirement. |                              | <p>All original, signed agendas, documents &amp; minutes should be retained at the school, which should not be amended/written on.</p> <p>The Headteacher should ensure that the structure and format of all Governing Body and Sub-Committee meeting minutes are appropriate and consistent, by ensuring they contain more details in respect of any reports presented (which should also be retained as part of the schools file) and what is discussed and resolved/agreed for each item raised.</p> <p>Additionally, it should be ensured each meeting has a clearly identified and documented Chairperson of a meeting at all times.</p> | <p>Headteacher</p> <p>All Governing Body meetings going forward</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><br/><b>Medium</b></p> | <p>Section 43(d) of The Government of Maintained Schools (Wales) Regulations 2005 states:</p> <p><i>'The Clerk to the Governing Body must maintain a register of governors' attendance at meetings'</i></p> <p>Of the 56 minutes examined since the last review in December 2014, attendance sheets were only present for 7, all of which were for Full Governing Body meetings.</p> <p>It was also noted that on 3 of the attendance sheets, some members had ticked to demonstrate that they were present, but no signatures were provided.</p> | <p>The Clerk 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> | <p>Clerk to the Governing Body</p> <p>Implemented</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>Examinations and discussions with the Clerk to the Governors established that she only maintains attendance registers for full Governing Body meetings. Additionally these are not necessarily signed by the Governors attending, with ticks recorded to document those present.</p> <p>No Sub-Committee meetings had an attendance register in place.</p> | <p>The Governing Body have formally agreed to adopt a signing in procedure for all meetings.</p> |  |
|                                       |   | <p><b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b></p>   |   |  | <p><b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b></p>   |  |
|                                       |   | <p>Agreed. The Clerk to the Governing Body has implemented this requirement.</p>  |   |  | <p>Chair of Governors &amp; Headteacher</p> <p>January 2019</p>                                  |  |
|                                       |   |   |   | <p><b>UPDATED RECOMMENDATION</b></p>   |  |  |
|                                       |   |   |   | <p>The Headteacher should ensure attendances registers of Governor attendance for all Governing Body and Sub-Committee meetings.</p> <p>All Governing Body members should ensure that they sign to confirm their attendance.</p>   |  |  |

| REF & PRIORITY                        | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE  | OUTCOME OF THE FOLLOW-UP AUDIT  | NEW MANAGEMENT RESPONSE  |
|---------------------------------------|---|--|---|---|--|
| <p><b>5.1.4</b></p> <p><b>Low</b></p> | <p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 6 Parent Governors, 5 LEA Governors and 2 Teacher Governors.</p> <p>During the audit, there were 5 Governing Body vacancies:</p> <p>1 x LEA<br/>3 x Parent<br/>1 x Teacher</p> | <p>The School should endeavour to fill the Governor vacancies as soon as possible.</p>   | <p>Estates Manager &amp; Clerk to the Governing Body</p> <p>31<sup>st</sup> January 2018.</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, but audit testing has confirmed that the recommendation has been partially implemented.</p> <p>During the audit, it was identified that there is currently 1 Community Governing Body vacancy.</p> | <p>All Governing Body vacancies are discussed at full meetings under an agenda item.</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>Teacher Governor appointed, Parent Governor nominations completed, to be confirmed at next Full Governing Body meeting. LEA vacancy will be filled as soon as possible.</p> |   | <p>The School should endeavour to fill the Governor vacancy as soon as possible.</p>  | <p>Chair of Governors &amp; Headteacher</p> <p>January 2019</p>                          |

| REF & PRIORITY | ORIGINAL FINDING   | ORIGINAL RECOMMENDATION   | ORIGINAL MANAGEMENT RESPONSE                          | OUTCOME OF THE FOLLOW-UP AUDIT  | NEW MANAGEMENT RESPONSE   |
|----------------|--|---|---|---|---|
| 5.1.5<br>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>Whilst it was detailed in the minutes of 6<sup>th</sup> October 2016 that Governors had completed the Declarations of Business Interests forms, and that they had been retained at the school, 5 declarations could not be located.</p> <p>For the declarations that were located, 10 were dated from 15<sup>th</sup> - 17<sup>th</sup> May 2017 (i.e. during the audit review), and 2 others were not dated.</p> | <p>The Register of Business Interests should be completed at the first full Governing Body meeting of each academic year.</p> <p>All declarations should be held at the School.</p> | <p>Clerk to the Governing Body</p> <p>Implemented</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>Examinations established that whilst some Governors had completed their Declarations of Business Interests forms, and that they had been retained at the school, 5 declarations could not be located. Additionally, 1 Governor's declaration had only printed details and a signature whilst 4 other declarations had not been dated to confirm when they had been completed.</p> | <p>All Governors are required to complete a Declaration of Business Interests during the Autumn term of every academic year.</p> <p>This is a standard agenda point for Autumn Governing Body meetings.</p> |
|                |  | <b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b>  |   | <b>UPDATED RECOMMENDATION</b>   | <b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b>   |
|                |  | <p>Agreed. The Clerk to the Governing Body has implemented this requirement.</p>  |   | <p>The Register of Business Interests should be completed at the first full Governing Body meeting of each academic year.</p> <p>All declarations should be fully completed and held at the School.</p>   | <p>Chair of Governors &amp; Headteacher</p> <p>All relevant Governing Body meetings going forward</p>   |

| REF & PRIORITY                      | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                          | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE                                     |
|-------------------------------------|---|--|---|--|---|
| <p><b>5.1.6</b><br/><b>High</b></p> | <p>Section 56(2) of The Government of Maintained Schools (Wales) Regulations 2005 states:</p> <p><i>'The pupil discipline and exclusions committee must consist of either three or five governors, but must not include the Headteacher'</i></p> <p>Whilst the Headteacher is not one of the committee members for the Pupil Discipline and Exclusion committee, the Headteacher was minuted as 'present' at 2 meetings examined (18<sup>th</sup> November 2015 and 8<sup>th</sup> February 2016), alongside the other Governing Body members who were also 'present'.</p> <p>Discussions confirmed that the Headteacher was present as an 'Advisor', however this was not clear.</p> | <p>For transparency, it should be ensured that where the Headteacher attends a Pupil Discipline and Exclusion committee meeting as an 'Advisor', that this is clearly minuted.</p> | <p>Clerk to the Governing Body</p> <p>Implemented</p> | <p>Confirmed to have been 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 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>Noted. Future minutes will reflect the Headteacher's role as an 'Advisor' when attending a Pupil Discipline and Exclusion committee meeting.</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>5.1.7</b><br/><b>High</b></p> | <p>Whilst all statutory policies and documents were in place, issues were identified in terms of the frequency of review of some policies, and in demonstrating that they were ratified by the Governing Body (i.e. policies were not minuted as ratified).</p> | <p>Policies should be reviewed in line with statutory requirements.</p> <p>For policies that do not require an annual review, the school should introduce a policy review schedule to ensure that policies are reviewed on a cyclical basis, e.g. every 3 years.</p> <p>It should be ensured that each policy / document discussed and agreed is clearly detailed in the minutes for transparency.</p> | <p>Estates Manager &amp; Clerk to the Governing Body</p> <p>31<sup>st</sup> January 2018</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>Discussions with the Estates Manager and examinations of the Policies file held at the school established that whilst there are in place a number of Policies, the majority are out of date.</p> <p>It was found following examination of Governing Body minutes that more up to date versions of these Policies had been presented to the Governing Body. However, the versions of these Policies endorsed by the Chair of Governors could not be located.</p> <p>Note - It is also noted that further reviewed Policies were to be presented to Governors in March 2018.</p> | <p>A rolling program reviewing and adopting policies is now in place.</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>A formal policy schedule is being implemented with the Clerk to the Governing Body to ensure that policies are reviewed as required.</p>  |  | <p>Policies should be reviewed in line with statutory requirements.</p> <p>For policies that do not require an annual review, the school should introduce a policy review schedule to ensure that policies are reviewed on a cyclical basis, e.g. every 3 years.</p> <p>It should be ensured that for each policy / document discussed and agreed by the Governing Body, a copy is signed as ratified by the Chair of Governors and retained at the school.</p>  | <p>Chair of Governors &amp; Headteacher</p> <p>March 2019</p>             |

## 5.2 SAFEGUARDING

| REF & PRIORITY          | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE   | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE  |
|-------------------------|---|--|--|--|--|
| <p>5.2.1<br/>Medium</p> | <p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</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>There are 4 members of staff trained to Level 3, and certificates were retained at the School for each.</p> <p>Whole School Level 1 training was provided on 2<sup>nd</sup> September 2016. A training record was presented to Internal Audit during the review, which was compared to the staff list obtained from the Vision team.</p> <p>From this record, it was identified that 26 members of staff had not attended training that day (9 of which were casual / temporary staff).</p> <p style="text-align: right;"><b>(CONTINUED)</b></p> | <p>The School should develop a central training record, to demonstrate the date and level of attainment alongside individual staff names. This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the policy's annual review.</p> <p>It should be ensured that Safeguarding training is also provided to all casual / temporary staff, tutors and supply staff, with a record of the training detailed on the central training record.</p> | <p>Estates Manager,<br/>Deputy Headteacher<br/>and Clerk to the<br/>Governing Body</p> <p>31<sup>st</sup> January 2018</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, but audit testing has confirmed that the recommendation has been partially implemented, with the training record now signed by staff.</p> <p>Whole School Level 1 training was provided on 4<sup>th</sup> September 2017. A training record was presented to Internal Audit during the review, which was compared to the staff list obtained from the Vision team.</p> <p>From this record, it was identified that 9 (8 permanent/temporary and 1 casual) members of staff had not attended training that day (7 of which were at the school prior to the last report being finalised, and 2 commencing since).</p> <p>Additionally, whilst the Governing Body ratified the Safeguarding Policy in Spring 2017, a signed copy of the Policy was not available at the school at the time of audit.</p> | <p>Given the audit was completed in February 2018; the recommendations have now been fully implemented effective the start of school year 2018/19.</p> <p>A training record is now maintained in the Safeguarding Policy file.</p> |

| REF & PRIORITY | ORIGINAL FINDING  | ORIGINAL RESPONSIBILITY & TARGET DATE  | ORIGINAL MANAGEMENT RESPONSE | UPDATED RECOMMENDATION   | UPDATED RESPONSIBILITY & TARGET DATE                       |
|----------------|---|--|------------------------------|--|--|
| Continued      | <p>However, another attendance list was provided to Internal Audit at the conclusion of the review. Whilst this document states that there were only 4 members of staff not in attendance that day (all temporary / casual), the attendance for all other members of staff is confirmed by ticks next to their names; not signatures.</p> | <p>A Central training record is currently being implemented. The record incorporates all appropriate training details for all staff (casual and temporary), tutors and supply.</p> |                              | <p>The School should ensure that Safeguarding training is provided to all staff (including casual / temporary staff, tutors and supply staff), with a record of the training detailed on the central training record.</p> <p>Additionally, a signed copy of the Safeguarding Policy should be retained at the school, with each member of staff, including casual supervisory assistants and exam invigilators signing to demonstrate that they have received, read and understood the Child Safeguarding Policy.</p> <p>NOTE: - This is to be in compliance with point 3.1 of the Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy which states:</p> <p><i>'The Designated Senior Person (DSP) for Child Protection will...Ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy'.</i></p> | <p>Estates Manager &amp; Headteacher</p> <p>March 2019</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><br/><b>High</b></p> | <p>A circular was issued to all schools from the Temporary Director of Education and Lifelong Learning on 17<sup>th</sup> November 2015 regarding employment status, and how to identify an entity as an employee or self-employed. Following the completion of a questionnaire on the HMRC website, should the entity be regarded as an employee, then the entity should be paid via the Council's payroll system.</p> | <p>Before a School engages with an entity for the provision of services, the HMRC employment status check should be undertaken for all individuals using the HMRC Employment Status Indicator (ESI) tool.</p> <p>A HMRC employment status check should be undertaken for each of these tutors immediately, with evidence of each check retained at the School.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</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, but audit testing has confirmed that the recommendation has been partially implemented, with the training record now signed by staff.</p> <p>Testing identified that since the last review, one of the tutors identified has now been employed by the school following their HMRC check, with the other remaining self employed. However, the Estates Manager could not provide evidence of their HMRC check.</p> <p>Additionally, the school employ a Clerk to the Governing Body. No HMRC check has been undertaken for her either.</p> | <p>Fully implemented with PDF copies forwarded to RCT Finance, and copies retained on file in the finance office.</p> |
|                                     | <p>Testing identified that there are currently 2 Tutors who attend the School; a Brass Tutor and a Maths Tutor, both of whom are paid via the School budget account. No HMRC checks have been undertaken for either individual.</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>The checks have now been completed for the two Tutors identified.</p>   |   | <p>Before a School engages with any entity for the provision of services, they must review the employment status using the HMRC online tool.</p> <p>A HMRC employment status check should be undertaken for the two entities identified immediately, with evidence of each check retained at the School.</p> <p>Note: The School should also be aware of the change in requirements that link to the HMRC IR35.</p>  | <p>Estates Manager &amp; Finance Officer</p> <p>January 2019</p>  |



### 5.3 PURCHASE CARD

| REF & PRIORITY                      | ORIGINAL FINDING   | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                                    | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE   |
|-------------------------------------|--|--|---|--|---|
| <p><b>5.3.1</b><br/><b>High</b></p> | <p>Of the 61 Purchase Card transactions examined as a sample, the following were identified as inappropriate:</p> <p><u>1<sup>st</sup> September 2016 - Makro - £165.50</u><br/>Prosecco Spumante &amp; Glasses<br/>(4 x cases (16 bottles) of prosecco and 4 glasses)</p> <p><u>31<sup>st</sup> October 2016 - Spiros - £410.00</u><br/>Deposit paid for staff Christmas function. (The income was later received from the members of staff and banked into the budget account).</p> <p><u>25<sup>th</sup> November - Flower Power - £20.50</u><br/>Gift for a member of staff who left.</p> <p><u>2<sup>nd</sup> December 2016 - Spiros - £723.13</u><br/>Paid the balance of the staff Christmas function. (The income was received from the members of staff and banked into the budget account).</p> <p style="text-align: right;"><b>(CONTINUED)</b></p> | <p>All potential expenditure should be subject to challenge by the Headteacher to ensure that the School can demonstrate value for money and that funds have been utilised in a prudent manner.</p> <p>Gifts for staff should be financed by a staff collection in future.</p> <p>Under no circumstances should the school's Purchase Card be used to pay for staff functions (even on a temporary basis), and the income subsequently reimbursed to the budget account.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>Discussions identified that an anonymous donation was made for £1,000 to the School Private Fund on 7th November 2016 for payments to be made at the Headteachers discretion and this expenditure was to be reimbursed from the Fund to cover this cost from the "Headteachers Pot". Whilst there were no inappropriate purchases identified during the sample period examined (since the last report was finalised), it was identified that there had been four payments made (in July, November and December 2017) using the Purchase Card for the purchase of alcohol and gift vouchers, totalling £233.85.</p> <p>Discussions during the audit visit identified that for these items, the School Budget was to be reimbursed by the "Headteachers Pot" within the School Private Fund. However, at the time of the audit visit, there was a balance of £207.99 remaining of the £1,000 donation; hence there is a shortfall of £25.86 to be found. Additionally, the reimbursements are yet to take place, although some are several months old.</p> | <p>Previous findings had been implemented, however the issue of expenditure from Private Fund had not been incorporated into the procedure. This has now been fully implemented.</p> <p>Donations which are free of restrictions will be controlled via PTA accounts on the recommendations of audit.</p> |

| REF & PRIORITY   | ORIGINAL FINDING  | ORIGINAL RESPONSIBILITY & TARGET DATE  | ORIGINAL MANAGEMENT RESPONSE | UPDATED RECOMMENDATION   | UPDATED RESPONSIBILITY & TARGET DATE |
|------------------|---|--|------------------------------|--|--------------------------------------|
| <b>Continued</b> | In addition, no receipts were located for 3 transactions, therefore it could not be confirmed as to whether the purchases were appropriate (please refer to 5.3.2). | All recommendations have been fully implemented with regards the Purchase Card transactions. |                              | Going forward, such purchases cannot be made using the School Budget or Private Fund accounts. Additionally, should a donation of a similar nature in future, this cannot be held within either the School Budget or Private Fund accounts and alternative arrangements should be made for the processing of these transactions. | Finance Manager<br><br>March 2019    |

| REF & PRIORITY  | ORIGINAL FINDING   | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                                    | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE                                     |
|---|--|--|---|--|---|
| <p><b>5.3.2</b></p> <p><b>Medium</b></p>  | <p>Difficulties were experienced in locating the supporting documentation for the Purchase Card transactions examined. Whilst the majority were located eventually, no receipts were found for the following:</p> <ul style="list-style-type: none"> <li>• 9<sup>th</sup> September 2016 - Jewson Ltd - £186.78</li> <li>• 22<sup>nd</sup> September 2016 - Promotional Production - £87.00</li> <li>• 17<sup>th</sup> March 2017 - RSS Magor Motorway - £30.00</li> </ul> <p>In addition, there was no appropriate VAT receipt present to accompany the following transactions:</p> <ul style="list-style-type: none"> <li>• 10<sup>th</sup> June 2016 - Paypal - £321.54 gross, £53.59 VAT</li> <li>• 31<sup>st</sup> August 2016 - Fitness Superstore - £135.98 gross, £22.66 VAT</li> <li>• 8<sup>th</sup> November 2016 - www.lampshoonline - 71.70 gross, £11.95 VAT</li> <li>• 9<sup>th</sup> December 2016 - Paypal - £318 gross, £53.10 VAT</li> <li>• 10th January 2017 - Paypal £210.00 gross, £25.00 VAT</li> <li>• 7<sup>th</sup> February 2017 - Paypal £358.80 gross, £59.80 VAT</li> </ul> | <p>The School should reconsider the way in which financial documentation is filed, to allow evidence / supporting documentation to be located more efficiently.</p> <p>Every effort should be made to obtain all receipts and appropriate VAT receipts where VAT is to be reclaimed. An appropriate VAT receipt should include:</p> <ul style="list-style-type: none"> <li>• details of the sale including the tax date;</li> <li>• the suppliers VAT registration number;</li> <li>• the amount paid for the goods or services;</li> <li>• the amount of VAT that the supplier has charged to you.</li> </ul> <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p> <p>If a receipt cannot be obtained, a 'Record of Expenditure without Receipt' form should be completed, and signed by 2 members of staff.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</p> | <p>Confirmed to have been 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 implemented.</p> <p>Examinations identified that all purchases examined during the sample period had an appropriate receipt available.</p> | <p>Not required as original recommendation implemented.</p> |
| <b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b>  |  |  | <b>UPDATED RECOMMENDATION</b>                                   | <b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b>  |   |
| <p>All recommendations have been fully implemented with a new filing system in place.</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>5.3.3</b><br/><b>Medium</b></p> | <p>All purchase card transactions are confirmed via a monthly statement received on the 3<sup>rd</sup> of each month, and the respective direct debit for the monthly sum taken from the School bank account on the 10<sup>th</sup>.</p> <p>In order for SIMS to replicate the School Bank Statement, a Cash Book journal should be undertaken on receipt of the Purchase Card Bank Statement.</p> <p>During the last financial year (16/17), delays were identified in completing journals for 8 of the 12 months' bank statements, up to 21 days on one occasion.</p> | <p>The cashbook journals for all purchase card payments should be updated to SIMS as soon as possible following receipt of the Bank Statements to ensure that SIMS correctly reflects the expenditure that has been incurred.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</p> | <p>Confirmed to have been 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 implemented.</p> <p>On examination for a sample period it was found that there were no delays noted in cashbook journals being undertaken.</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>Recommendations fully implemented. The cashbook journals for all purchase card payments are being updated to SIMS as soon as possible following receipt of the Bank Statements.</p>  |   | <p>Not Applicable.</p>   | <p>Not Applicable</p>                                       |

5.4 SCHOOL INCOME

| REF & PRIORITY  | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE   | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE  |
|-----------------|---|--|--|--|--|
| 5.4.1<br>Medium | <p>Several requests were made following the scoping meeting and during the audit review for a copy of the school's Financial Procedures. There was uncertainty as to whether there was such a document initially, however a copy was provided to Internal Audit following the closure meeting.</p> <p>Whilst all aspects of Finance and Administration are detailed, the document does not specify responsibility for tasks.</p> <p>Additionally, the document still refers to Petty Cash; however the School no longer operate a Petty Cash account.</p> | <p>The Finance Policy should be enhanced to specify the individual staff responsible for the school's financial and administrative tasks.</p> <p>Once completed, the procedures should be presented to the Governing Body for approval and issued to all appropriate members of staff.</p> <p>NB: Any revision to the Policy should take into account recommendations raised elsewhere in this report.</p> | <p>Estates Manager &amp; Clerk to the Governing Body</p> <p>31<sup>st</sup> March 2018</p> | <p>Confirmed to have been partially implemented.</p> <p>The Headteacher indicated this recommendation had been partially implemented when scoping this follow up review, and audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Since the last review, the School have developed a draft Finance Policy that contains guidance of how each area of administration should be managed.</p> <p>However, it lacks sufficient detail of the roles/responsibilities of the individuals presently involved.</p> | <p>Draft Finance Policy has been prepared and contains guidance of how each area of administration should be managed.</p> <p>Details of specific roles and responsibilities will be expanded upon. Audit have been asked to provide a 'model' policy for future use at Hawthorn High School.</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>Recommendations noted and the revised policy will be presented to Full Governors at the next available opportunity.</p>   |  | <p>The Finance Policy 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 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>Estates Manager</p> <p>March 2019</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><b>Continued</b></p> | <p>Examination of the 'Booking Form and Usage Contract' for school hires identified that whilst they state that <i>'Cheques should be made payable to Hawthorn High School'</i> and that <i>'cash payments may be made to the reception at Hawthorn Swimming Pool'</i>, the booking form does not state the terms and conditions of payment, i.e. that payment should be made within 21 days.</p> <p>At the time of the audit review, there was £4,824.50 owed to the school in respect of hires, of which £4,236.50 was in excess of 21 days old.</p> | <p>The 'Booking Form and Usage Contract' should be amended to include terms and conditions for payment, i.e. 21 days.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</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, but audit testing has confirmed that the recommendation has been partially implemented.</p> <p>Examination of SIMS for school hires identified that the payment terms have been amended to ensure that the due date on the debtors invoice is 21 days for payments. However, examination of the 'Booking Form and Usage Contract'; showed that these have not been updated to state that invoices are to be paid within 21 days. Furthermore, the booking forms do not state any arrears procedure.</p> <p>At the time of the audit review, a debtor report was obtained from SIMS which shows a balance owed to the School of £19,969.10. Of this balance, there is £4,305.50 owed from the School Private Fund - £3,225.52 of which is owed in respect of the School production of High School Musical (please refer to 5.3.4 regarding this).</p> <p>Examination of the Aged Debtor Report from SIMS revealed that there are 2 invoices outstanding in excess of 61 days old : -</p> <ul style="list-style-type: none"> <li>• Cardiff City Foundation - £200</li> <li>• Central South Consortium - £540</li> </ul> <p>No evidence could be found on the copy invoices to suggest any form of a follow up for payment.</p> <p>Similarly, there are invoices outstanding in excess of 31 days old for:</p> <ul style="list-style-type: none"> <li>• Dolphin Swim Academy - £220</li> <li>• Sink or Swim - £3,510</li> <li>• Starfish Swim School - £990</li> </ul> <p>There is no evidence to suggest any arrears processes, with the Pool Manager unable to confirm there was any process in place either.</p> | <p>Outstanding payments highlighted are now all up to date.</p> <p>Zero bad debt write-offs in the last four years.</p> <p>Wording on the contracts has been amended as recommended following the audit.</p> |

| REF & PRIORITY | ORIGINAL FINDING | ORIGINAL RESPONSIBILITY & TARGET DATE  | ORIGINAL MANAGEMENT RESPONSE | UPDATED RECOMMENDATION   | UPDATED RESPONSIBILITY & TARGET DATE     |
|----------------|------------------|--|------------------------------|--|--|
| Continued      |                  | Recommendation fully implemented, with terms and conditions amended as required. |                              | <p>The 'Booking Form and Usage Contract' should be amended to include terms and conditions for payment, i.e. 21 days.</p> <p>The amounts outstanding to the school should be followed up immediately. The amount owed by the School Private Fund should be transferred to the School Budget Account.</p> <p>The Headteacher should consider each balance outstanding to determine if any of the debtors are to be written off.</p> | <p>Estates Manager</p> <p>March 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><br/><b>Medium</b></p> | <p>At present, neither the Headteacher nor the Estates Manager are routinely notified of the hires at the school. All are solely managed and issued by the Pool Manager.</p> | <p>While it is acknowledged that it is part of the Pool Manager's role to manage hires for the school's facilities, Management should be formally notified of all hires, usage and income received on a regular basis.</p> | <p>Estates Manager<br/><br/>Implemented</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.</p> <p>It was established that whilst the Estates Manager is informed of hires, with hires continue to have not been formally authorised by the Headteacher or Estates Manager.</p> | <p>Full delegated authority for hires and contracts, has been devolved to the Estates Manager by the Governing Body since the audit report.</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>Accepted. The Estates Manager is now routinely notified of the hires, usage and income received at the school.</p>  |   | <p>All hire forms received should be authorised by the Headteacher before the hire commences.</p>  | <p>Estates Manager<br/><br/>January 2019</p>  |



| REF & PRIORITY                        | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                                    | OUTCOME OF THE FOLLOW-UP AUDIT  | NEW MANAGEMENT RESPONSE                                     |
|---------------------------------------|---|--|---|---|---|
| <p><b>5.4.4</b></p> <p><b>Low</b></p> | <p>Income received in respect of the swimming pool, Astroturf and school ties are collected outside of the Finance Office.</p> <p>The Pool Manager, who receives income relating to the pool and Astroturf, records income when received, and passes the income to the Finance Officer weekly for banking. Both members of staff sign to confirm the handover of cash, but not cheques.</p> | <p>The handover of cash and cheques should be signed by both parties, to demonstrate that all amounts agree.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</p> | <p>Confirmed to have been 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 implemented, with processes now in place to confirm the handover of cash and cheques.</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>Recommendation fully 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><br/><b>Medium</b></p> | <p>Delays were identified in bankings made throughout the 2016/17 Financial Year, up to 36 days in one instance.</p> | <p>All income received (both cash and cheque) should be banked regularly i.e. weekly where income collected exceeds £50 and immediately where cash exceeds £200.</p> | <p>Estates Manager &amp; Finance Officer<br/><br/>31<sup>st</sup> March 2018</p> | <p>Confirmed to have been implemented.<br/><br/>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 implemented, with no delays in banking now found.</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>Cash takings are now being banked twice weekly. We are currently investigating regular cash pick-ups in line with Catering Direct cash collections.</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>5.4.6</b></p> <p><b>High</b></p> | <p>There are 2 safes in the School; one in the Finance Office, and another at the Pool.</p> <p>No issues were identified in terms of the access to the safe in the Finance Officer.</p> <p>However, it was noted that for the Pool safe, all 3 members of staff can access the safe, in addition to casual staff who are occasionally employed at busy periods.</p> | <p>Whilst at the school income should be held in a secure place with limited access to appropriate authorised staff.</p>  | <p>Estates Manager</p> <p>Implemented</p> | <p>Confirmed to have been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review.</p> <p>Audit testing has confirmed that the recommendation has been implemented, whereby it has been determined by Management that the staff with access to the safes are appropriate.</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>The systems in the Pool have been amended. Only two members of management now have access to the safe. Casual staff no longer have any access to the safe.</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><br/><b>High</b></p> | <p>All bookings for the swimming pool and Astro turf are managed by a system that the school purchased called the EZ booking system. The Pool Manager is responsible for using the system.</p> <p>For every booking made on the system, an 'account' is created, and invoices automatically generated. The invoices created from the EZ system are then provided to the Finance Officer in order for her to create a replica invoice on SIMS to ensure that SIMS (as the main accounting system) is up-to-date with the anticipated income due to the school. However the invoices created from the EZ system are the ones that are sent to customers.</p> <p>The following issues were noted:</p> <ul style="list-style-type: none"> <li>• There is a duplication of work;</li> <li>• The EZ invoices are not official Council invoices, and do not include the Council's VAT number;</li> <li>• The EZ invoices do not state terms and conditions for payment;</li> <li>• The Aged Debtor Report from SIMS, and Accounts Receivable report from EZ were compared for this financial year, and the amounts owed to the school were different on both reports (£4,824.50 on EZ and £7,631.35 on SIMS).</li> </ul> <p style="text-align: right;"><b>(CONTINUED)</b></p> | <p>Invoices sent to customers relating to the swimming pool and Astro turf bookings should be issued from SIMS, as this is the School's main accounting system. The invoice will contain the Council's VAT number and will detail the terms and conditions of payment; however it should be ensured that the correct VAT codes are used.</p> <p>The invoices that are created from the EZ system should be supplementary information to support the SIMS invoice sent to the customer.</p> <p>This will also ensure that there is a segregation of duties.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>Implemented</p> | <p>Confirmed to have been 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 implemented.</p> <p>For every booking made on the school booking system, an 'account' is created, and invoices automatically generated. The invoices created from the system are then provided to the Finance Officer in order for her to create a replica invoice on SIMS to ensure that SIMS (as the main accounting system) is up-to-date with the anticipated income due to the school. The invoices created from the schools booking system are now being used as backing documents which are attached to the SIMS invoices which are sent to hirers.</p> <p>Note: - Please see Finding 5.8.2 regarding various other issues identified during this review in respect of block bookings at the School.</p> | <p>Not required as original recommendation implemented.</p> |

| REF & PRIORITY   | ORIGINAL FINDING   | ORIGINAL RESPONSIBILITY & TARGET DATE                                  | ORIGINAL MANAGEMENT RESPONSE | UPDATED RECOMMENDATION | UPDATED RESPONSIBILITY & TARGET DATE |
|------------------|--|--|------------------------------|------------------------|--------------------------------------|
| <b>Continued</b> | It was also noted when examining the duplicate invoices created on SIMS, that VAT was incorrectly coded on occasions. E.g. for clubs who have VAT exemption, the invoice was coded to 'Outside of Scope' rather than 'Exempt'. | Recommendation fully implemented, including the segregation of duties. |                              | Not Applicable.        | Not Applicable                       |

## 5.5

## BANKING

| REF & PRIORITY                                  | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                         | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE                              |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
|---|---|--|--|--|--|-------------|--|------------|---|-------------|---|------------|--|-------------|---|-------------|--|-------------|--|------------|--|------------|--|-------------------------------|---|
| 5.5.1<br>High                                   | Section 2.3 of the LAF Rules states ' <i>The school must not be allowed to overdraw the account</i> '.<br><br>The following instances were identified where the school's bank account was overdrawn:  | The School should not allow their account to go overdrawn.<br><br>The account should be closely monitored to ensure that there are no cash flow issues, which could cause the account to become overdrawn. | Estates Manager & Finance Officer<br><br>Implemented | Confirmed to have been implemented.<br><br>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 implemented, whereby the school has not been overdrawn since the previous review. | Not required as original recommendation implemented. |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
|   | <table border="1"> <thead> <tr> <th>Statement Date</th> <th>Amount Overdrawn</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> - 7<sup>th</sup> April 2016</td> <td>-£30,334.06</td> </tr> <tr> <td>23<sup>rd</sup> - 29<sup>th</sup> Dec 2016</td> <td>-£9,560.28</td> </tr> <tr> <td>30<sup>th</sup> Dec – 5<sup>th</sup> Jan 2017</td> <td>-£10,476.22</td> </tr> <tr> <td>6<sup>th</sup> – 12<sup>th</sup> Jan 2017</td> <td>-£7,729.97</td> </tr> <tr> <td>17<sup>th</sup> – 23<sup>rd</sup> Feb 2017</td> <td>-£45,192.04</td> </tr> <tr> <td>24<sup>th</sup> Feb – 2<sup>nd</sup> Mar 2017</td> <td>-£50,487.19</td> </tr> <tr> <td>3<sup>rd</sup> – 9<sup>th</sup> Mar 2017</td> <td>-£39,532.00</td> </tr> <tr> <td>10<sup>th</sup> – 16<sup>th</sup> Mar 2017</td> <td>-£2,163.96</td> </tr> <tr> <td>24<sup>th</sup> – 30<sup>th</sup> Mar 2017</td> <td>-£4,749.38</td> </tr> </tbody> </table> | Statement Date   |  | Amount Overdrawn   | 1 <sup>st</sup> - 7 <sup>th</sup> April 2016         | -£30,334.06 | 23 <sup>rd</sup> - 29 <sup>th</sup> Dec 2016 | -£9,560.28 | 30 <sup>th</sup> Dec – 5 <sup>th</sup> Jan 2017 | -£10,476.22 | 6 <sup>th</sup> – 12 <sup>th</sup> Jan 2017 | -£7,729.97 | 17 <sup>th</sup> – 23 <sup>rd</sup> Feb 2017 | -£45,192.04 | 24 <sup>th</sup> Feb – 2 <sup>nd</sup> Mar 2017 | -£50,487.19 | 3 <sup>rd</sup> – 9 <sup>th</sup> Mar 2017 | -£39,532.00 | 10 <sup>th</sup> – 16 <sup>th</sup> Mar 2017 | -£2,163.96 | 24 <sup>th</sup> – 30 <sup>th</sup> Mar 2017 | -£4,749.38 | <b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b> | <b>UPDATED RECOMMENDATION</b> | <b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b> |
|   | Statement Date  | Amount Overdrawn   |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 1 <sup>st</sup> - 7 <sup>th</sup> April 2016    | -£30,334.06   |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 23 <sup>rd</sup> - 29 <sup>th</sup> Dec 2016    | -£9,560.28  |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 30 <sup>th</sup> Dec – 5 <sup>th</sup> Jan 2017 | -£10,476.22   |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 6 <sup>th</sup> – 12 <sup>th</sup> Jan 2017     | -£7,729.97  |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 17 <sup>th</sup> – 23 <sup>rd</sup> Feb 2017    | -£45,192.04   |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 24 <sup>th</sup> Feb – 2 <sup>nd</sup> Mar 2017 | -£50,487.19   |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 3 <sup>rd</sup> – 9 <sup>th</sup> Mar 2017      | -£39,532.00   |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 10 <sup>th</sup> – 16 <sup>th</sup> Mar 2017    | -£2,163.96  |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
| 24 <sup>th</sup> – 30 <sup>th</sup> Mar 2017    | -£4,749.38  |  |  |  |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |
|   |   | Recommendations noted. The account will be closely monitored to ensure that there are no cash flow issues, which could cause the account to become overdrawn.  | Not Applicable.                                      | Not Applicable   |  |             |  |            |   |             |   |            |  |             |   |             |  |             |  |            |  |            |  |                               |   |

| REF & PRIORITY | ORIGINAL FINDING   | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                         | OUTCOME OF THE FOLLOW-UP AUDIT  | NEW MANAGEMENT RESPONSE   |
|----------------|--|--|--|---|---|
| 5.5.2<br>High  | Whilst bank statements are received weekly, there is no evidence on the bank statements to demonstrate that they have been reconciled to SIMS i.e. transactions are not ticked; the bank statements are not signed or dated. | The bank statements should be reconciled as soon as possible upon receipt, and should clearly demonstrate that they have been reconciled (e.g. transactions ticked), and the statements signed and dated by the person who undertook the reconciliation. | Estates Manager & Finance Officer<br><br>Implemented | Confirmed to have not been implemented.<br><br>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented.<br><br>Whilst bank statements are received weekly, occasions were noted whereby there was no evidence on the bank statements to demonstrate that they have been reconciled to SIMS i.e. transactions are not ticked; the bank statements are not signed or dated.<br><br>Additionally, it was established that the bank reconciliation is undertaken by three different members of staff depending on availability. This appears to be a contributing factor in as to why there are inconsistencies in the bank reconciliation process. | Recommendation fully implemented in February 2018, immediately following the audit. |
|                |  | <b>ORIGINAL RESPONSIBILITY &amp; TARGET DATE</b>   |  | <b>UPDATED RECOMMENDATION</b>   | <b>UPDATED RESPONSIBILITY &amp; TARGET DATE</b>                                     |
|                |  | Recommendations noted and implemented.   |  | Management should identify one member of staff to undertake the bank reconciliation process at the school.<br><br>Following this, each bank statements should be reconciled as soon as possible upon receipt, and should clearly demonstrate that they have been reconciled (e.g. transactions ticked), and the statements signed and dated by the person who undertook the reconciliation.<br><br>The bank reconciliation exercise should be carried out by someone independent to the process to demonstrate transparency.  | Estates Manager<br><br>Implemented  |

| REF & PRIORITY                      | ORIGINAL FINDING   | ORIGINAL RECOMMENDATION   | ORIGINAL MANAGEMENT RESPONSE                                      | OUTCOME OF THE FOLLOW-UP AUDIT  | NEW MANAGEMENT RESPONSE                                |
|-------------------------------------|--|---|---|---|--|
| <p><b>5.5.3</b><br/><b>High</b></p> | <p>The Finance Officer receives, records and banks income, raises invoices and is solely responsible for completing the bank reconciliation.</p> | <p>There should be a segregation of duties between receiving income and raising invoices.</p> <p>The bank reconciliation process should be reviewed by an independent person.</p> | <p>Estates Manager &amp; Finance Officer<br/><br/>Implemented</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had been implemented in the initial audit report and when scoping this follow up review, but audit testing has confirmed that the recommendation has not been implemented, with the Finance Officer continuing to raise invoices and match the subsequent income.</p> | <p>Completed following the audit in February 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>Administrative structure amended to incorporate this recommendation, and achieve full segregation of duties in the Finance office.</p>   |   | <p>There should be a segregation of duties between receiving income and raising invoices.</p> <p>This person cannot be involved in the bank reconciliation process, as identified in 5.5.2.</p>   | <p>Estates Manager<br/><br/>Implemented</p>            |



5.6 BUDGETARY CONTROL

| REF & PRIORITY          | ORIGINAL FINDING  | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE                                      | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE  |
|-------------------------|---|--|---|--|--|
| <p>5.6.1<br/>Medium</p> | <p>There is no structured process in place for providing Budget Holders with regular budgetary information from SIMS, to allow Budget Holders to monitor their own budgets.</p> | <p>All Budget Holders should monitor their own budgets, and maintain a budget monitoring record.</p> <p>In order to effectively monitor their budgets, the Finance Officer should provide Budget Holder with regular cost centre transaction reports from SIMS (e.g. monthly), to allow the Budget Holder to reconcile transactions.</p> | <p>Estates Manager &amp; Finance Officer<br/><br/>Implemented</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, but audit testing has confirmed that the recommendation has been partially implemented.</p> <p>On the 26th September 2017 and the 20th November 2017 the School Finance Officer provided all budget holders with detailed Cost Centre Transaction reports. In January 2018, a Cost Centre Transaction listing report was again provided to budget holders, but only to departments that had balances remaining within their budgets.</p> <p>Discussions at the school revealed that departments are not formally advised when there is no money remaining, instead Budget Holders are advised verbally (if they ask).</p> | <p>All budget holders received ½ termly Capitation reports, even departments which have zero balances.</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>Recommendation implemented. Budget holders provided with transaction reports twice per term.</p>  |   | <p>All Budget Holders should monitor their own budgets, and maintain a budget monitoring record.</p> <p>In order to effectively monitor their budgets, the Finance Officer should provide Budget Holders with regular cost centre transaction reports from SIMS (e.g. monthly), to allow the Budget Holder to reconcile transactions. Budget holders should also be formally notified when there are no further funds remaining.</p>   | <p>Estates Manager &amp; Finance Officer<br/><br/>January 2019</p>   |

| REF & PRIORITY                        | ORIGINAL FINDING   | ORIGINAL RECOMMENDATION  | ORIGINAL MANAGEMENT RESPONSE  | OUTCOME OF THE FOLLOW-UP AUDIT   | NEW MANAGEMENT RESPONSE                                     |
|---------------------------------------|--|--|---|--|---|
| <p><b>5.6.2</b><br/><b>Medium</b></p> | <p>Virements are undertaken by either the Finance Officer or the Estates Manager. However, the responsibility for this function has not been formally delegated by the Governing Body; neither has the Governing Body agreed on a limit up to which the responsible officers can make a virement or budget holders' purchase limits.</p> <p>Additionally, no record is maintained of any virements made.</p> | <p>Any alterations to the school budget should be reported to / agreed by the Governing Body, unless responsibility for this function has been delegated. Where responsibility has been delegated, the Governing Body should agree on a limit for purchases and virements. A written record of all virements made should be maintained, with each virement authorised by the main Budget Holder.</p> | <p>Estates Manager &amp; Clerk to the Governing Body</p> <p>Implemented</p> | <p>Confirmed to have been 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 implemented, with limits for virements formally delegated by the Governing Body.</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>Policy implemented in accordance with Governing Body limitations.</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   |
|------------------|---|--|--|---|---|
| 5.7.1<br><br>Low | <p>The School Development Plan covers the period 2016 - 2019. Whilst 43 priorities have been specified, estimated costs have only been attributed to 6.</p> <p>Discussions at the School revealed that this is because the School has insufficient funds available.</p> | <p>The Building Development Plan should include realistic and detailed cost implications for planned works, in order to incorporate these costs when setting the budget for each financial year.</p> | <p>Estates Manager<br/><br/>31<sup>st</sup> March 2018</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had not been implemented at the time of the follow up review, with audit testing confirming this.</p> | <p>The Building Development Plan includes detailed cost implications for planned works, where applicable. When works are deemed to be above costs which could be met by the school budget detailed costings are not pursued further e.g. flat roof replacement.</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>Agreed.</p>   |  | <p>The Building Development Plan should include realistic and detailed cost implications for planned works, in order to incorporate these costs when setting the budget for each financial year.</p>  | <p>Estates Manager<br/><br/>January 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><br/><b>Medium</b></p> | <p>At present, the school does not have an Inventory.</p> <p>Neither are there formal procedures in place to ensure that write-offs / disposals of surplus or redundant equipment are authorised and recorded.</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>Disposal of equipment should be formally approved and documented.</p> | <p>Estates Manager<br/>31<sup>st</sup> March 2018</p> | <p>Confirmed to have not been implemented.</p> <p>The Headteacher indicated this recommendation had not been implemented at the time of the follow up review, with audit testing confirming this.</p>   | <p>A full inventory will be compiled as soon as possible on SIMS.</p> <p>Thereafter, an annual review will be carried out to ensure that the record is accurate and up-to-date.</p> <p>Disposal of equipment will be formally approved and documented.</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>Agreed.</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>Disposal of equipment should be formally approved and documented.</p> | <p>Estates Manager<br/><br/>March 2019</p>   |

## 5.8

## NEW FINDINGS

| REF & PRIORITY        | FINDING   | IMPLICATION   | RECOMMENDATION   | MANAGEMENT RESPONSE   | RESPONSIBILITY & TARGET DATE                                     |
|-----------------------|---|---|--|---|--|
| <p>5.8.1<br/>High</p> | <p><b>GOVERNANCE</b><br/>In April 2017, the School ended the cleaning contract with the Council's approved Contractor. A Temporary Contractor was appointed from April 2017, and a new 3 year Contractor appointed from August 2017.</p> <p>The following timeline of events are noted from a review of the minutes for the relevant Governing Body/Sub-Committees:</p> <p>1. <u>Temporary Contractor</u></p> <ul style="list-style-type: none"> <li>• Current Minutes suggest Finance Committee approved the temporary contract over its delegated limits (the agreed delegated limit for the Finance Committee is £15k although the temporary contractor was appointed at a cost of £30k).</li> <li>• No contract was put in place.</li> <li>• No rationale of costs was provided in writing to the Finance Committee for this contract when making their decision and no report has since been provided to Internal Audit, as evidence of the cost rationale presented to / approved by the Finance Committee.</li> <li>• When making the decision, no record is noted in the minutes demonstrating the appointment of an interim Chair. Note; the Chair left the meeting due to a conflict of interest.</li> </ul> <p style="text-align: right;"><b>(CONTINUED)</b></p> | <p>Appropriate, documentary evidence is not available within the Governing Body minutes of the relevant Committees as evidence of the decision making process.</p> <p>In the absence of a documented cost rationale, it is not possible to determine whether if a contract is entered into appropriately,</p> <p>Without a Chairperson in charge of meetings, decisions made could be called into question.</p> <p>Decisions have been made which are not within the delegated limits of authority.</p> | <p>The Headteacher should ensure that this contract is formally presented with full details to the Governing Body and agreed by the Governing Body, and for any such contracts going forward.</p> <p>Contracts should not be entered into without full costs obtained and a signed contract in place.</p> <p>The school should obtain a copy of the signed contract.</p> | <p>Appropriate process was followed during the full Governing Body meetings, but we acknowledge that the Minutes for these meetings do not accurately reflect the discussions that took place. Contracts were not entered into without due process being followed and sub committees did not act beyond delegated authorised limits. Full Governing Body members and relevant sub-committee members will be asked to sign a statement to this effect in a forthcoming Governing Body meeting.</p> <p>The School was also 'defaulting' to the Chair of Governors, if present at a sub-committee meeting, automatically chairing the sub-committee meeting if the elected chair has to leave the room. Audit has confirmed that a Chair should be elected in such circumstances on each occasion even if the Chair of Governors is a sub-committee member and present.</p> <p>Discussions have taken place with the Clerk to the Governors re. the accuracy of minute taking and RCT's requirement re-electing the Chairs of Sub Committees when current Chairs are required to leave the room. These two points will be addressed going forward.</p> | <p>Headteacher &amp; Chair of Governors</p> <p>February 2019</p> |

| REF & PRIORITY | FINDING  | IMPLICATION | RECOMMENDATION | MANAGEMENT RESPONSE | RESPONSIBILITY & TARGET DATE |
|----------------|--|-------------|----------------|---------------------|------------------------------|
| Continued      | <p>NOTE: The Headteacher and Chair of Governors have indicated that appropriate discussions did take place during the full Governing Body meetings, but acknowledge that the Minutes for these meetings do not accurately reflect the discussions that took place.</p> <p>Based upon the minutes, the Governing Body has not approved the School to enter into the contract with the new Contractor – to the value of £304,312.00 over the duration of the contract.</p> <p>2. <u>3 Year Contractor</u></p> <ul style="list-style-type: none"> <li>• While there is a copy of the contract held by the School, it has only been signed by the Headteacher and not the appointed Contractor.</li> </ul> |             |                |                     |                              |

| REF & PRIORITY                         | FINDING   | IMPLICATION  | RECOMMENDATION   | MANAGEMENT RESPONSE  | RESPONSIBILITY & TARGET DATE             |
|--|---|--|--|--|--|
| <p><b>5.8.2</b></p> <p><b>High</b></p> | <p><b><u>SCHOOL INCOME</u></b><br/>Examination of the block bookings at the school/pool identified the following issues:</p> <ul style="list-style-type: none"> <li>Hires are not authorised by the Headteacher.</li> <li>2 contracts have not been signed by the organisation/hirer</li> <li>1 contract is out of date, i.e. contract was up until December 2017, yet they have been billed up to and including March 2018</li> <li>4 hirers have not been charged VAT yet no VAT exemption form has been completed</li> <li>2 hirers have completed VAT exemption forms, yet have been charged VAT at standard rate.</li> <li>2 hirers have been charged at an incorrect rate, 1 has been charged £55 per hour instead of £56 per hour (as per the booking form) and a hockey match has been charged at £65 per hour and not £51 for a full pitch.</li> <li>No authorised copies of invoices are held at School.</li> </ul> | <p>The Headteacher is not authorising the use of School facilities.</p> <p>The hire of facilities is being administered inconsistently.</p> <p>Organisations are not being charged in accordance with the School Charging Policy.</p> <p>VAT may not be correctly accounted for.</p> | <p>The School should update its booking form to capture all required details for future requests for hire including retaining evidence of affiliated groups, and insurance details for VAT exemptions.</p> <p>All forms received should be authorised by the Headteacher before the hire commences.</p> <p>Overall responsibility for managing the hire of premises should be formally determined.</p> | <p>Booking Forms update following the changes to VAT regulations in September 2018.</p> <p>Authority for Hire and Authorisation has been delegated by the Governing Body to the Estates Manager.</p> | <p>Estates Manager</p> <p>March 2019</p> |

| REF & PRIORITY                           | FINDING  | IMPLICATION   | RECOMMENDATION  | MANAGEMENT RESPONSE  | RESPONSIBILITY & TARGET DATE                                   |
|--|--|---|---|--|--|
| <p><b>5.8.3</b></p> <p><b>Medium</b></p> | <p>As detailed above in 5.4.2, £3,225.52 is owed to the School Budget from the Private Fund in respect of the School production of High School Musical.</p> <p>Discussions with the Estates Manager identified that income is collected via the School Private Fund for these productions which are to then be transferred into the School Budget. Additionally, the costs/expenditure to put on these shows is deducted from both the Private Fund and School Budget.</p> <p>Therefore, income and expenditure is being inconsistently accounted for.</p> | <p>The mixing and matching of income and expenditure between the School Budget and Private Fund accounts is not permitted.</p> <p>Confusion may occur between School Private Fund and School Budget Income.</p> | <p>There should be no mixing and matching of income and expenditure between the School Budget and Private Fund in regards to school productions/shows.</p> <p>The school should determine the most appropriate method going forward to facilitate these transactions and ensure that all income/expenditure is processed accordingly.</p> | <p>Separation between the accounts has now been fully implemented.</p> <p>The issue highlighted around the school's annual drama production had been in place for several years.</p> | <p>Estates Manager &amp; Finance Officer</p> <p>March 2019</p> |