RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019/20

AUDIT COMMITTEE **3rd February 2020**	**AGENDA ITEM NO. 4**
REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES	**FINALISED AUDIT ASSIGNMENTS**

Author: Mark Thomas (Head of Regional Internal Audit Service)

1. PURPOSE OF THE REPORT

1.1 This report provides Members with a summary of audit assignments completed between 1st December 2019 and 20th January 2020.

2. RECOMMENDATIONS

It is recommended that Members:

2.1 Seek clarity and explanation where there are areas of concern.

2.2 Identify further action to be taken where deemed necessary.

3. REASON FOR RECOMMENDATIONS

3.1 To help ensure that Audit Committee discharges its responsibilities in respect of reviewing the overall control environment in place across the Council.

4. BACKGROUND

4.1 The Audit Committee Terms of Reference (Point C) requires it to 'Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, 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 1st December 2019 and 20th January 2020. 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 4 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

COMMUNITY & CHILDREN'S SERVICES

- DIRECT PAYMENTS 2019/20
- LLWYDCOED CREMATORIUM 2019/20
- THE BROKER SERVICE 2019/20

EDUCATION & INCLUSION SERVICES

- PERTHCELYN COMMUNITY PRIMARY SCHOOL 2019/20

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 informs Members knowledge of the overall control environment of the Council.

Other Information:-
Relevant Scrutiny Committee
Not applicable.
Contact Officers – Mark Thomas/Lisa Cumpston

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

3rd February 2020

FINALISED AUDIT ASSIGNMENTS

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

Author: Mark Thomas (Head of Regional Internal Audit Service)

Item: 4

Background Papers

None.

Officer to contact: Mark Thomas/Lisa Cumpston

Appendix 1 - Summary of audit assignments completed between 1st December 2019 and 20th January 2020

COMMUNITY & CHILDREN'S SERVICES

AUDIT NAME: BROKER SERVICE C/F

DATE FINAL REPORT WAS ISSUED: 06/01/2020

INTRODUCTION

The Council operates a Broker Service who are responsible for liaising with the commissioned framework home care providers in order to put packages of home care in place. Care package requests are submitted to the Broker Service following approval from Quality Assurance Panels / Service Managers for them to source a provider.

The Broker Service is required to promptly contact providers who should respond within set timescales as to whether they are able to deliver the package.

If providers are unable to deliver the package then the Broker will contact the 'In-House' Home Care Service to determine if they have capacity to provide the package of care on a temporary basis, which is then placed in 'holding' whilst the Broker continues to attempt to source a framework provider.

At the 31/3/2019 the following home care packages were being delivered:-

In House – 2,968hrs of care per week to 291 service users at an annual cost of approximately £4.65m.

External providers – 13,197hrs of care per week to 1041 users at an annual cost of approximately £11.44m.

The overall responsibility for the Broker Service lies with the Strategic Commissioning Manager within Adult Services.

SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2019/20, agreed by Audit Committee, a review of the key controls within the system for the Broker Service was undertaken.

The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the controls surrounding the Broker Service.

The specific objectives of the review were to ensure that the Broker Service is:-

- Complying with the guidance notes / process map developed by the Service.
- Working efficiently with other Council Departments / Service Providers.

AUDIT OPINION

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

Complying with the guidance notes / process map developed by the Service.

The Broker Service uses spreadsheets to record care package information. Testing identified that the spreadsheets are promptly updated and the service perform tasks on a timely basis, for example, returning incomplete requests to Care Managers and advertising packages of care to Providers.

Testing identified that providers do not always reply promptly as to whether they can deliver packages of care; for the sample of packages examined the longest period taken to reply was 13 days, whereas replies should typically be within 24 hours.

Where packages had been agreed with providers, commissioning forms had been completed and issued to all appropriate parties.

Working efficiently with other Council Departments / Service Providers.

Care package requests are submitted to the Broker Service daily by Care Managers following approval by Panel / Service Managers. Examination of requests made in the period April 2018 to March 2019 established that :-

- 412 (17%) were returned to Care Managers as they were incomplete.
- Care Managers are not always promptly replying to the Broker Service for incomplete requests, the longest delay in the sample was 8 days.

Where providers are unable to deliver the exact package of care, the Broker Service ask Care Managers to confirm the package on offer. No significant delays were noted by either party, however management should consider whether a tolerance can be set to avoid potential delays / inefficient use of staff resources.

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

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Low	Spreadsheets are used by the Broker Service team to record / monitor all care package requests. Examination of 10 dates recorded on the spreadsheet established that 2 had been incorrectly recorded (the incorrect sent back / received dates recorded) – • 1970766 • 2171287	Care should be taken to ensure the correct dates are always recorded on the spreadsheets used by the Service.	Implemented

<table>
<tr>
<td>5.1.2

Low</td>
<td>The Broker Service advertise care packages to providers and each of them should reply if they are able to provide the service or not within agreed timescales, typically within 24 hours. Testing identified 9 out of 16 referrals took in excess of that:-

<table>
<tr><th>Days to reply</th><th>Number</th></tr>
<tr><td>2</td><td>2</td></tr>
<tr><td>3</td><td>2</td></tr>
<tr><td>4</td><td>2</td></tr>
<tr><td>8</td><td>1</td></tr>
<tr><td>11</td><td>1</td></tr>
<tr><td>13</td><td>1</td></tr>
</table>

Note – the package is awarded to the provider who closely matches the times requested regardless of whether all providers have responded, therefore no delay to awarding the package based on non-response from all providers.</td>
<td>The Broker Service should remind providers to comply with the time frames developed to ensure that care packages are arranged / commence as promptly as possible.

Thereafter, Management should monitor the replies of providers and consider action if they continue to not comply.</td>
<td>Implemented</td>
</tr>
<tr>
<td>5.1.3

Medium</td>
<td>Care Managers submit package requests to the Broker Service once they have been authorised. The submitted requests should contain comprehensive information to enable the Broker Service to liaise with providers to put a package of care in place.

In the period April 2018 to March 2019, the Broker Service returned 412 referrals (17%) of those received from Care Managers as the request contained incomplete information.

• 202 referrals were returned in the period April 2018 to September 2018.

• 210 referrals were returned in the period October 2018 to March 2019.</td>
<td>Care Managers should submit accurate / complete care requests to the Broker Service to enable prompt processing.

To help improve the quality of information included with each request, the Broker Service should monitor / record the reasons as to why requests are being returned to Care Managers and share these reasons with the appropriate managers.</td>
<td>Implemented</td>
</tr>
</table>

<table>
<tr>
<td>5.1.4

Medium</td>
<td>When incomplete referrals are received by the Broker Service they are returned to the Care Managers for full details to be recorded. Upon receipt of the complete information, the Broker Service will commence their search for a provider.

Testing noted that 4 out of 17 referrals returned to the Care Managers took 2 or more days to reply:-

<table>
<tr><th>No of days to reply</th><th>Number</th></tr>
<tr><td>2</td><td>2</td></tr>
<tr><td>3</td><td>1</td></tr>
<tr><td>8</td><td>1</td></tr>
</table>

Note – the 8 day reply was a complex variation to an existing package which comprised of temporary decreases / permanent increases, the package started as required.</td>
<td>The Broker Service should remind Care Managers of the importance of promptly receiving completed referrals</td>
<td>Implemented</td>
</tr>
<tr>
<td>5.1.5

Low</td>
<td>All new / variations to care packages once authorised should be submitted to the Broker Service.

For a sample of 17 care packages, 16 were submitted to the Broker Service the day they were authorised. However:-

• The variation in a complex care package for 2115817 was authorised 6/2/19, submitted to the Broker Service 8/2/19, delay of 2 days and no package start date highlighted.

Note – The above was a variation, package of care was already in place.</td>
<td>The Broker Service should remind Care Managers that all requests for packages of care should be promptly and accurately submitted.</td>
<td>Implemented</td>
</tr>
<tr>
<td>5.1.6

Medium</td>
<td>When providers are unable to deliver the exact package of care the Broker Service has stated, the Service are required to ask Care Managers to accept / decline the package offered.
It was identified that variations regularly occur, however there is no tolerance for the Broker Service to allow the package to proceed.</td>
<td>Management should consider whether a tolerance can be set to avoid potential delays / inefficient use of staff resources.</td>
<td>31 March 2020</td>
</tr>
</table>

AUDIT NAME: DIRECT PAYMENTS C/F

DATE FINAL REPORT WAS ISSUED: 10/12/2019

INTRODUCTION

Direct payments are made by the Council to individuals towards the cost of meeting a person's care and support needs. These payments are in lieu of services, which the adult, carer, child or family have been assessed as needing following a review against their eligibility for the Direct Payments Scheme by Social Workers.

Direct payments provide individuals and families with more choice and control over the way their care and support needs are met. They promote independence by offering opportunities for choice and self-determination.

The responsibility for administering Direct Payments lies within the Community and Children's Services Directorate and on an operational level is managed by the Strategic Commissioning Manager.

Payments are monitored from a Care Management perspective to ensure the level of payment granted continues to meet the ongoing care needs of the Service User and from a Financial Services perspective to ensure monies issued are being expended appropriately and in accordance with need.

This audit review concentrated on the Adult element of Direct Payments and during the 2018/2019 financial year, in excess of £4.9m was awarded in respect of Adult Direct Payments. For the current financial year the budget is in excess of £5.4m.

SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2019/20, agreed by Audit Committee, a review of key controls within the system was undertaken. Audit testing was carried out on a sample of 20 service users in receipt of an Adult Direct Payment to ensure that the process is working effectively.

The primary purpose of the audit review is to provide management with an opinion on the adequacy and effectiveness of the internal control system. The objective of the review is to ensure that:

The processes in place were operating consistently and in accordance with the Direct Payments Policy (2017).

AUDIT OPINION

The overall control environment in respect of the administration of Direct Payments is considered to be effective with opportunity for improvement.

The Direct Payments Policy was last reviewed and updated in June 2017. This review focussed on a sample of 20 Adult Direct Payment recipients to ensure that each Direct Payment is being administered effectively, consistently and in accordance with the Council's Direct Payment Policy.

Testing identified that not all Direct Payments are being administered consistently as some compliance issues with the Policy were identified:

- 1 Direct Payment Policy agreement had not been signed by all parties.
- There is 1 family member employed as a Personal Assistant yet there was no evidence that they had received formal panel consideration and

agreement.

- It could not be determined whether the risk rating template had been used for 1 Service User.
- Only 1 Care and Support Plan had been reviewed in accordance with the timescales prescribed within the Direct Payments Policy.
- Financial reviews are not being undertaken in accordance with the Direct Payments Policy.

The application for a Direct Payment and the Direct Payment Agreement form states that the completed form needs to be returned to the Clients Finance Team at Mountain Ash Town Hall. The Clients Finance Team relocated to Bronwydd, Porth during October 2016 and this detail is no longer accurate.
This report recommends that Management should update all official stationery with the correct administrative address to avoid any confusion experienced by applicants which could result in a delay in applications / agreements being administered.
All staff should also be reminded of the requirements of the most recently introduced Policy (2017) to ensure that the procedures followed meet the expectations of the service and are administered consistently.
By implementing the associated recommendations contained within this report, management will enhance further the standard of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Medium	The Application for a Direct Payment and the Direct Payment Agreement form states that the completed form needs to be returned to the Clients Finance Team at Mountain Ash Town Hall. The Clients Finance Team relocated to Bronwydd, Porth from Mountain Ash Town Hall in 2016.	Management should ensure that all official stationery is updated with the correct administrative address.	Implemented
5.1.2 Low	Part 3 of the Direct Payment Agreement must be signed by the direct payment recipient and Care Manager / Social Worker. The Direct Payment agreement had not been signed by the Care Manager / Social Worker for 1 Direct Payment recipient examined (1981090). It is however accepted that a request was made by the Clients Finance team for the agreement to be signed.	In accordance with the Direct Payments Policy, all parties should sign the Direct Payment agreement prior to the commencement of the Direct Payment. Any instances of non-compliance should be followed up prior to the commencement of the Direct Payment.	31 January 2020

5.1.3 Medium	Point 7.10 of the Council's Direct Payment Policy states: "When considering whether employing a relative will provide the best way of promoting and delivering the individuals personal outcomes; evidence must be compiled and submitted by both the direct payment recipient and care manager to the Direct Payment Panel for consideration. Panel agreement must be obtained for the relative to be appointed as a personal assistant". From the sample of Direct Payments examined, there is 1 Service User who has appointed Family members as a Personal Assistant without formal panel consideration and agreement (2018479).	In accordance with the Direct Payment Policy, Management should ensure that where a family member is employed as a Personal Assistant, a Direct Payment Panel Consideration Proforma is completed and is formally approved. This will provide the Council with assurance that the best person has been appointed to deliver the individual's needs.	31 January 2020
5.1.4 High	Care managers will consider sensitively how to treat someone with a fluctuating condition, which affects their ability to manage direct payments. To assist the Care Manager with this decision, a Risk Rating template has been devised. Point 11.4 of the Direct Payment policy states: "The Risk Rating Matrix needs to be considered at each review and revised if necessary" It could not be determined whether the risk rating template was used for all Service Users examined as 1 Risk Rating Template could not be found (2102734).	Care Managers should ensure that each Service User is appropriately risk assessed to determine the frequency of all future reviews, with evidence of the Risk Assessment being retain on record.	31 January 2020
5.1.5 High	Point 11.4 of the Direct Payments Policy states: "The Local Authority retains its responsibility to assess and review the needs of the individual in the normal way. The frequency of monitoring	Management should ensure that the frequency of Care and Support plan reviews are in line with the timescales outlined within the Direct Payments Policy.	31 January 2020

	and review of the direct payments and the care and support plan as a whole will be: • The first review will be held after three months for both children's and adult services. Within Children's Services this first review should be chaired by a team manager / senior practitioner". Audit testing identified only 1 file (2018479) had been reviewed in accordance with the requirements of the Direct Payments Policy.		
5.1.6 Medium	Point 12.5 of the Direct Payments Policy states: "Once the direct payment has been started, client finance will undertake monitoring, at intervals indicated by the Risk Rating (Appendix 9), on the use of the money in order to ensure that the recipient is keeping accurate records. From the sample of Direct Payments examined no evidence could be found that the financial reviews have been undertaken within the set timescales. It is accepted that in respect of the Direct Payments with a High Risk rating, a letter had been sent advising that a review was due. However, the letter had been issued after 6 months of the Direct Payment starting, and not 3 months as indicated within the Direct Payments policy. No evidence of a review being undertaken was available for any of the Medium and Low Risk rated Direct Payments.	Management should ensure that Financial reviews are undertaken in accordance with the Direct Payments Policy.	31 January 2020

AUDIT NAME: LLWYDCOED CREMATORIUM

DATE FINAL REPORT WAS ISSUED: 04/12/2019

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.

SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2019/20, as agreed by Audit Committee, a review of the key controls within each of the main financial systems was undertaken. The primary purpose of the audit review is to provide management with an opinion on the adequacy and effectiveness of the internal control system.

Audit testing was carried out on a sample of transactions made during the financial year 2019/20 to ensure that fundamental controls are present and operating satisfactorily.

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 the Procurement Service.
- All confidential data is retained securely and electronic records/systems are backed up regularly with access restricted to authorised users.
- Accurate and up to date records are maintained of all cremations and purchased plots.

AUDIT OPINION

Statutory Obligations

The overall control environment in respect of Statutory Obligations is considered to be effective and there are no findings contained in 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 and Medical Certificate.

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 internment 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 overall control environment in respect of Information Management & I.T. Security is considered to be effective and there are no findings contained in 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. Since the previous review the site has now upgraded its network connection so there are fewer issues with disconnections which can affect devices such as the chip and pin machines. It was also noted that the chip and pin machine printer has been out of commission for a number of months and arrangements should be made for this to be repaired or a replacement acquired.

Collections & Deposits / Receipts

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

The site uses the Webpaystaff system to record all income received directly on site. The system allows payments to be taken in person, over the phone and take card payments via chip and pin devices, and 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 identified where income has been identified as banked on Financials but no receipt was present and no details recorded in the income ledger. Another occasion was noted where details of payment were recorded in the ledger but no receipt was present although a receipt number was recorded in ledger.

A verbal recommendation was also made to record the totals of income collected via the Loomis Collection Service split into the respective income ledgers for the Crematorium and the Cynon Valley cemeteries.

Purchase Card

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

There is one purchase card in operation and the supporting transaction log was found to be up to date with the latest transactions with the exception of the 4 most recent payments (made during the week of visit). It was noted that Amazon is used frequently for purchases, and whilst 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:			
REPORT REF. & PRIORITY	**FINDING**	**RECOMMENDATION**	**IMPLEMENTATION DATE**
5.1.1 Low	Review of the income records identified the following discrepancies; • 2.8.19 – entries identified on Financials for £113.00 (8352) and £62.00 (8357) respectively. However, it was identified that no receipt was present and no entries made in the Income Ledger. • 7.8.19 – amount of £58.00 (8351) recorded in the Income Ledger but was not supported by a receipt, even though the receipt number has been recorded in the income ledger.	Care should be taken to ensure that all income is receipted and entered into the income ledger. All transactions should be supported by relevant receipts.	Implemented
5.2.1 Low	A review of transactions since April 2019 revealed that all were supported with documentary evidence. However, it was noted that a number of purchases are to Amazon and the Amazon Marketplace. Whilst for each of these transactions there were copies of the online orders present and delivery notes (where received) only one instance was noted where an invoice was present showing the VAT breakdown. There are implications for the reclaiming of VAT on Amazon purchases due to the fact that many of the 3rd party suppliers who use the marketplace are not based in the UK. In the absence of this information the VAT registration status of suppliers outside the UK cannot be identified.	The Purchase Cardholder should ensure that requests are made for VAT invoices for all Amazon and Amazon Marketplace purchases and these are printed and retained with the relevant copies of orders etc. The Purchase Card Manual has recently been updated to reflect the VAT treatment on the purchase of goods and supplies outside the UK, and this guidance should be followed going forward.	Implemented

EDUCATION & INCLUSION SERVICES			
AUDIT NAME: PERTHCELYN COMMUNITY PRIMARY			
DATE FINAL REPORT WAS ISSUED: 03/12/2019			

INTRODUCTION

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

Perthcelyn Community Primary was last subject to an Internal Audit Review in November 2014, and this is the fourth 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 Spring Term 2020 meeting.

SCOPE & OBJECTIVES

The checklist for non-chequebook primary schools comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

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 2018 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 Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 2018.

AUDIT OPINION

Governance

The control environment is 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 whilst it is updated annually, business declarations had not been completed in respect of 5 Governors.

The Headteacher has not been formally delegated a limit for purchases; this report recommends that the Governing Body confirm a scheme of delegation to formally record the Headteacher's financial limits for expenditure.

Whilst all statutory policies and documents are present at the School, it could not be evidenced that all had been formally reviewed by the Full Governing Body within the last 3 years. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being clearly detailed in the Governing Body minutes.

Safeguarding & Educational Visits

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

Testing identified that all staff received the appropriate clearances before commencing duties in their posts. The School has a Safeguarding Policy which is reviewed annually and has been endorsed by all Officers with delegated responsibility for Safeguarding and Child Protection. Whilst there was documentary evidence at the School to confirm staff have received a copy of the Policy and have read and understood it, this was not evidenced for 3 members of staff. It was also noted that 6 members of staff did not attend the latest safeguarding training at the School during February 2019.

The School does not make use of the EVOLVE system as required within the document 'Planning and Approval Procedures for Educational Visits'. Routine class trips are however recorded using a risk assessment template which the Headteacher has devised. While the EVOLVE system is used to record residential trips, from a sample of 10 trips examined, 3 had not been authorised within the correct timescales.

School Private Fund

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

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

The Ledger is reconciled to the bank statements monthly and for the previous academic year all expenditure was solely for the benefit of the pupils / School, in accordance with the School Private Fund Regulations and supported with receipts / invoices. This review has however highlighted that an additional cheque

signatory for the account is required as at the time of the audit visit, there were only 2 members of staff able to sign cheques which could prove problematical. A review of the income identified that bankings are not undertaken in accordance with the recommended limits / timescales included within the School Private Fund Regulations and therefore, this report recommends that the Headteacher considers using a secure collection service in order to minimise the risk to staff transporting large quantities of cash to the bank.

Purchase Card

The control environment in relation to the Purchase Card system 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 card. Audit testing identified that a Transaction Log is in use at the School, and is updated with items of expenditure immediately as the cost is incurred and reconciled to the electronic Bank Statement weekly.

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

School Budget

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

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

Data Protection & Security

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

The School is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. Audit testing identified that the School's inventory has not been updated for a number of years and this report recommends that an up to date inventory of School assets / equipment be undertaken immediately.

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

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	**FINDING**	**RECOMMENDATION**	**IMPLEMENTATION DATE**
5.1.1 High	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: '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'. The current requirements for safeguarding training are that Level 1 and 2 needs to be reviewed 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. Although it was established that Level 1 training was provided to the whole School on 2nd September 2019, the School were unable to demonstrate that 6 members of staff have received the training. This includes Teachers, Support Staff and casual members of staff.	Arrangements should be made to ensure that Level 1 training is provided to the 6 members of staff identified as soon as possible. The Headteacher should also ensure the training record presently in use at the School is regularly reviewed to ensure that safeguarding training is renewed as and when required for all members of staff.	31 January 2020
5.1.2 Medium	Point 3.1 of the (CTSCB) Model Safeguarding Policy (that should be adopted by schools) states: '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.' It was identified that 3 members of staff have not signed to confirm that they had received, read and understood the Child Protection Policy.	The Designated Senior Person should ensure that all members of staff (including casual members of staff) sign to demonstrate that they have received, read and understood the most recent Child Protection Policy. The 3 outstanding declarations should be obtained as soon as possible.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	**FINDING**	**RECOMMENDATION**	**IMPLEMENTATION DATE**
5.1.3 Medium	The document, Planning and Approval Procedures for Educational Visits 2014-2017 states that "Schools / establishments can determine their own planning and approval requirements but are strongly advised to use the EVOLVE system". EVOLVE is not used to record routine class trips, however a separate risk assessment system has been devised by the Headteacher. Of the 10 most recent trips recorded onto EVOLVE the following was noted: • Manor Adventure 13.05.19 - the status remains as processed, as it was not created on EVOLVE until 12.05.19, and therefore not submitted to the Outdoor Education Advisor within the correct timescales. • Manor Adventure 10.5.17 – created on EVOLVE on 4.4.17 but not submitted to the Outdoor Education Advisor until 3.5.17. • Manor Adventure 11.5.16 – the status remains at EVC, the trip was never authorised.	All trips / activities should be entered onto EVOLVE. The Headteacher is reminded that under Guidance for Educational Visits the Local Authority requires 28 days' notice to process and approve all trips that involve overnight, overseas or adventurous activities in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate. If there is a training requirement for staff, the School should contact the Outdoor Education Advisor to make the necessary arrangements.	31 March 2020
5.2.1 Medium	Whilst the Headteacher was formally delegated a limit for making virements between budget headings during the Full Governing Body meeting of the 8th November 2017, a purchasing limit has not been formally delegated. The Headteacher has been in post for a number of years.	The Governing Body should confirm a scheme of delegation, to formally record the Headteacher's financial limits for expenditure. The agreed limits should be minuted and be incorporated into the School's Financial Procedures document.	31 March 2020

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	**FINDING**	**RECOMMENDATION**	**IMPLEMENTATION DATE**
5.2.2 Medium	Section 2.9 of the Scheme for Financing Schools states that: *'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'.* Although a register was in place for the previous academic year, no declarations had been completed for 5 Governors.	A declaration of business interests for all Governors, the Headteacher and any other staff who may influence financial decisions at the School should be completed annually. Whilst it is accepted that a new register will be established during the Autumn Term meeting, the School is reminded that if Governors are not present in that meeting then a postal declaration should be completed and returned to the School.	31 March 2020
5.2.3 Medium	All statutory policies and documents are in place at the School. However, it was not evident within the Governing Body minutes that all policies / documents had been reviewed by the Full Governing Body within the last 3 years.	The policies / documents identified should be presented to the Governing Body for review and ratification (and this should be minuted). Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.	31 March 2020
5.3.1 Medium	Examination of the income banked since September 2018 identified that whilst bankings are undertaken fortnightly, deposits are not made in accordance with the limits / timescales included within the School Private Fund Regulations. The most significant of these are: • 15.11.18 - £894.32	The School should consider the introduction of a secure cash collection from LOOMIS. If this seems a feasible option, then contact should be made with the Council's Bank Reconciliation Team to discuss this option. There may be a charge for this service, but	31 March 2020

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	**FINDING**	**RECOMMENDATION**	**IMPLEMENTATION DATE**
	• 15.03.19 - £1010.00 • 10.05.19 - £725.00 • 14.06.19 - £1435.78 • 14.06.19 - £2359.75 • 28.06.19 - £841.76 It is acknowledged that income is securely retained whilst at the School.	this would allow the School to make deposits in respect of the School Private Fund (and School Dinner Money) in a safe environment thus eliminating the risks associated with visits to the bank / post office.	
5.3.2 Low	There are only 2 cheque signatories for the School Private Fund and both signatures are required to authorise a cheque.	The School should add another cheque signatory to ensure that cheques can always be authorised and issued promptly.	Implemented
5.4.1 Medium	The School's inventory has not been updated for a number of years.	A full inventory review of all School equipment should be undertaken as soon as possible. Thereafter an annual review should be carried out to ensure that the record is accurate and up-to-date.	31 March 2020