

Wheldrake CE Primary School
City of York Council
Internal Audit Report 2013/14

Business Unit: Primary Schools,

Headteacher : A Shaw
Date Issued: 11 June 2014
Status: Final
Reference: 15651/002.bf

	P3	P2	P1
Findings	4	0	0
Overall Audit Opinion	High Assurance		

Summary and Overall Conclusions

Introduction

This audit was carried out on Wednesday 5th March and Thursday 6th March 2014 as part of the Internal Audit plan for Adults, Children and Education for 2013/14.

Objectives and Scope of the Audit

The purpose of this audit is to provide advice to the Governors, Head Teacher and the Authority's Section 151 Officer about the financial management procedures and assurance that internal controls of the school are operating effectively to manage key risks, both financial and otherwise.

The audit covered the following areas in accordance with the specification issued on 17th January 2014

- Governance
- Financial Management
- System Reconciliation
- Contracts, Purchasing and Authorisation
- Income
- Capital and Property
- Extended Schools Provision
- Human Resources
- Payroll and Staff Costs
- School Meals
- Pupil Numbers
- School Fund
- Data Protection and Information technology
- Insurance and Risk Management
- Joint Use Facilities
- Inventories
- Safeguarding

Key Findings

The key findings relate to the completion of declarations of interest, recruitment procedures (in relation to obtaining references and evidencing checks on the right to work in the uk) and freedom of information requirements.

Overall Conclusions

Our overall opinion of the controls within the system at the time of the audit was that they provided High Assurance. Overall there was very good risk management with no significant weaknesses identified

1 Issue/ Control Weakness Risk

There is insufficient evidence to confirm all governors have declared any significant business interests or interests in agenda items. Governors may be in a position to influence the placing of contracts and influence other decisions in which they have a personal interest and must therefore ensure that all significant interests are declared. Additionally, signed copies of finance committee minutes are not held at the school.

The school and the governors may not be protected from accusations of conflicts of interest and minutes held at the school may not be accurate.

Findings

Governors all complete a single register of pecuniary interest on an annual basis. It was noted that three new governors, who began in December, were not on the register that was completed in September, and therefore had not declared any interests that they may have. All governors and staff with financial responsibilities should sign a register of pecuniary interests before being involved in financial decisions.

In addition, it was noted that declaration of interest was not a standing agenda item for the finance committee, and that the minutes were not signed as an accurate record of the meeting.

Recommendation

- Declarations of interest should be included as a standard agenda item on finance committee agenda
- Finance committee minutes should be signed
- New governors should complete a register of pecuniary interests when they start. It may be appropriate to use individual declaration of interest forms for all governors (rather than a consolidated register) to facilitate this process.

1.1 Agreed Action

Agreed	Priority	3
	Responsible Officer	AS/LM
	Timescale	Immediate

2 Issue/ Control Weakness Risk

Evidence of the checks made to confirm right to work in the UK are not being retained. There may be inadequate evidence that a sufficient check was undertaken. If the school is unable to demonstrate compliance with section 8 of the Asylum and Immigration Act 1996 this may result in fines of up to £10,000.

Findings

The personal files were reviewed for a sample of new starters and it was noted that a copy of the documents used to check an employee's right to work in the UK, such as a passport, had not been retained on file. The files did however show that the school was aware of the need to undertake the check, and indicated that it had been completed..

Recommendation

A copy of the documents viewed to check an employees right to work in the UK should be retained.

2.1 Agreed Action

Agreed	Priority	3
	Responsible Officer	LM
	Timescale	Immediate for new posts

3 Issue/ Control Weakness Risk

The reference request template includes a question relating to sickness absence. The school's recruitment procedures may be open to legal challenge.

Findings

The school use the standard template for requesting references for potential employees. The standard template contains a question about the sickness record of the potential employee, and the school confirmed that references are requested prior to a conditional offer of employment.

The section relating to references in the Council's Schools HR Manual has not been updated to reflect the changes that came into force following the Equalities Act 2010, which require a conditional offer of employment to be made before an enquiry about a candidate's health, including sickness record, in all but a limited number of circumstances. This has been raised with the Council's HR Section.

Recommendation

If a reference is requested before a conditional offer of employment has been made, the question relating to sickness absence should be removed from the reference template, unless the inclusion of a health related question has been approved by HR as being appropriate for the advertised post in compliance with the Equalities Act 2010.

3.1 Agreed Action

Agreed	Priority	3
	Responsible Officer	AS/LM
	Timescale	Immediate for new posts

4 Issue/ Control Weakness Risk

The school has not adopted the guide to information available under the publication scheme. The school may not be complying fully with the statutory requirements of the Data Protection Act (DPA), Environmental Regulations (EIR) and Freedom of Information Act (FOIA).

Findings

The school have adopted a publication scheme, however the guide to information available was not included. These documents are available on the Information Commissioners website on the following link [Publication Scheme](#)

Recommendation

The guide to information available under the publication scheme should be adopted and published on the school website

4.1 Agreed Action

Agreed

Priority	3
Responsible Officer	AS
Timescale	Already undertaken

Audit Opinions and Priorities for Actions

Audit Opinions	
<p>Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.</p> <p>Our overall audit opinion is based on 5 grades of opinion, as set out below.</p>	
Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Moderate assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Severity

Unlikely to have much impact on the integrity of the system or the effectiveness of controls	Over time, is likely to undermine the effectiveness of controls and/or result in reduced efficiency	Issue is so severe that fundamental controls within the system will not operate effectively exposing the system to catastrophic failure.
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Probability

Highly unlikely to occur (timescales will vary with the system being reviewed)	Likely to occur on a regular basis but not frequently (will vary with the system)	Certain to occur in the near future.
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