

AGENDA SUPPLEMENT

Audit and Governance Committee

To: Councillors Lomas (Chair), Fisher (Vice-Chair), Baker, Cuthbertson, Musson, Wann, Webb and Leigh (Independent Member)

Date: Wednesday, 30 November 2022

Time: 5.30 pm

Venue: The George Hudson Board Room - 1st Floor West Offices (F045)

The Agenda for the above meeting was published on **22 November 2022**. The attached additional documents are now available for the following agenda item:

7. Internal audit & counter fraud progress report (Pages 1 - 30)

These three audit reports accompany the agenda item 7 Internal audit & counter fraud progress report.

This agenda supplement was published on **22 November 2022**.

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Contract Management - GLL Community Stadium & Leisure

City of York Council

Internal Audit Report 2021/22

Business Unit: Customer and Corporate Services Directorate,
Responsible Officer: Assistant Director – Customer and Communities
Service Manager: Strategic Services Manager
Date Issued: 15th July 2022
Status: Final
Reference: 19080/037

	P1	P2	P3
Actions	0	2	2
Overall Audit Opinion	Reasonable Assurance		



Summary and Overall Conclusions

Introduction

York's new community stadium leisure complex provides a new football and rugby stadium for professional and community sport as well as a combination of sporting, health and educational facilities. The stadium opened in early 2021 and has attracted around 70,000 visitors to the stadium.

The council has a contract with GLL to run the council's leisure facilities across the city with a payment mechanism and performance framework to reward and penalise performance. The management of the stadium is sub-contracted to a stadium management company with the two sports clubs at the stadium (York City Football Club and York Knights Rugby League Club) paying rent directly to the council in order to use the stadium to stage matches.

Objectives and Scope of the Audit

The purpose of this audit is to provide assurance to management that procedures and controls within the system will ensure that:

- There are appropriate performance indicators in place to monitor performance.
- Performance indicators are accurate and received in line with the agreement with GLL.
- Action is taken when key performance targets are not being met.
- There are governance and reporting arrangements in place to facilitate the council maintaining oversight, and receive assurance, on the performance of the contract.

Key Findings

The council's contract with GLL covers the management and operation of the council's leisure facilities and the Community stadium. The process for managing the leisure facilities part of the contract was found to be working reasonably well. However, managing the Community Stadium part of the contract was not working as well as that of the rest of the contract.

In total there are 58 Indicators for the contract, however, only 3 of these relate to the Community Stadium part of the contract. This seems to have been due to the inexperience of both the council and contractor in managing sports stadia rather than leisure facilities. Some issues have been encountered with the management of the stadium. Whilst these have been dealt with through client – contractor meetings, performance management of the stadium element of the contract would be improved by defining and agreeing an increased and wider range of indicators.

The contract sets down that all performance indicators should be presented within 20 working days of the end of each quarter. However, no quarterly performance monitoring reports have been presented since the first quarter of 2021/22, even though the quarterly client

liaison meetings have continued to take place. Quarterly reports that include the most important indicators continued to be presented during 2021/22 which gave some assurance that key issues relating to the contract would be identified.

Performance indicators are discussed at the client liaison meetings which are taking place each quarter. Not all performance indicators had an agreed target, with half the cases in the sample taken being 'for info' rather than having an agreed target. All 3 indicators that related to the Community Stadium did not have a target. This situation should be reviewed, given the issues that have been encountered managing the Stadium. The figures for indicators for previous years were not always included in the table and there were also inconsistencies in the completeness of the information. Furthermore, the impact of the pandemic means that previous years' figures may not be useful for comparison purposes. The council may want to consider reviewing how it will use previous years' figures for comparison or target setting purposes.

Information relating to the performance of the stadium has been passed from the contract manager to senior managers when necessary. The indicators have clear wording so that they would be understandable to users who do not have specialist knowledge of the contract. The only information on the contract that is publicly available is the indicator relating to throughput at the leisure facilities that is available on the Open Data platform. It was noted that the information on this platform had not been updated since July 2019.

Overall Conclusions

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1. Performance Indicators relating to the Community Stadium element of the project

Issue/Control Weakness

There are only 3 performance indicators relating to the Community Stadium element of the project.

Risk

Issues continue to exist at the Community Stadium that are not being identified and monitored effectively.

Findings

There are 58 indicators that relate to the GLL contract and that are used to monitor and manage performance of the contract for leisure services and the management of the community stadium. However, only 3 of these indicators relate to the Community Stadium element of the contract.

Such a small suite of indicators hinders the ability to effectively manage the performance of the stadium element of the contract. Some issues have been encountered with the stadium element of the contract and the contractor and client now have more insight into key elements of performance. More indicators should be discussed and agreed with the contractor for the management of the stadium and reported on a regular basis.

The contract sets down the Payment and Performance Monitoring System so that penalty points can be applied due to non performance. However, the performance standards deal with non compliance of the contract rather than identifying areas where the contractor could improve performance.

Agreed Action 1.1

All parties (GLL, SMC and the council) agree that the KPIs used to calculate the annual outcomes scorecard needs to be reviewed and balanced with the addition of new stadium operational KPIs. This was self-identified by GLL and the council following the bedding in of the stadium management company and the challenges faced in the first 12 months. This has been discussed collaboratively and a draft proposal is being considered. As client manager I am meeting monthly with GLL and SMC to resolve this. Once agreed by all parties this will require a Deed of Variation to the original contract to make this contractually legal and binding.

It is worth noting that the KPIs only relate to the annual outcomes scorecard which is one out of thirty one performance standards that have linked financial penalties for under-performance.

Priority

2

Responsible Officer

Strategic Services Manager

Timescale

31st October 2022

2. Performance indicators not being received

Issue/Control Weakness

No complete sets of performance indicators have been received by the council since the first quarter of 2021/22.

Risk

Performance indicators are not calculated correctly, leading to the contractor not achieving agreed targets for the contract.

Findings

The contract sets down that quarterly performance indicators should be received by the council within 20 working days of the end of the quarter. At the time of this review the most recent set of performance indicators that were presented related to the first quarter of 2021/22. The two most recent sets of performance indicators, that related to the second and third quarters of 2021/22, had not been received, even though quarterly client liaison meetings continued to take place.

Quarterly reports were received which summarised the contractor's performance during the quarter which gives some reassurance that key issues relating to the contract would have been identified. However, these reports did not contain all the performance indicators set down in the contract.

Agreed Action 2.1

The action has been completed. The delay was due to GLL having set up its own customer booking system and using a phased approach to remove the old system whilst moving to use the new system. The new system is now fully up and running and therefore all the reporting is from one system. I'm confident this won't be an issue going forward and I've received the missing periods data.

Priority

2

Responsible Officer

Strategic Services Manager

Timescale

Already completed

3. Procedure notes for calculating performance indicators

Issue/Control Weakness

There are no procedure notes to support how performance indicators are calculated.

Risk

Performance indicators are not calculated correctly, leading to the contractor not achieving agreed targets for the contract.

Findings

There are no procedure notes or detailed explanations as to how performance indicators are calculated. The contract manager advised that at the time the contract was agreed with GLL, discussions were held to clarify understanding as to how performance indicators are calculated. However, no record was kept of these discussions.

Detailed knowledge of the calculation of the performance indicators is not documented and is dependent on the knowledge of the current contract manager and his counterparts at GLL. This means that in the event of either or both key officers changing there would be a loss of knowledge that could lead to information not being produced accurately or consistently or resulting in a dispute between the council and the contractor.

Agreed Action 3.1

This is acknowledged as a key risk and a set of guidance notes will be created to ensure the interpretation of how the performance indicators are calculated is clear.

Priority

3

Responsible Officer

Strategic Services Manager

Timescale

30th November 2022

4. Information on the Open Data Platform

Issue/Control Weakness

The information relating to leisure facilities and the community stadium on the Open Data Platform is limited and some information is out of date.

Risk

The number of visitors to the Leisure Facilities is out of date and not relevant to members of the public.

Findings

Currently the only performance indicator relating to the GLL contract that is held on the Open Data Platform is LM01, which is the throughput of visitors to the Leisure Facilities. This figure hadn't been updated since July 2019.

The delivery of leisure services and the management of the stadium are important areas for the council that contribute to the delivery of its council plan. As such, more detailed reporting on the indicators for leisure services and the stadium will contribute to the openness and accountability for the performance of these services. Openness and transparency can contribute to promoting effectiveness, efficiency in services and engagement and accountability to the public.

Agreed Action 4.1

The LM01 performance indicator data has now been updated to 31st March 2022 and been uploaded onto the open data platform.
In addition, an annual scrutiny report covering GLL's performance will be published each year. The first report will be dealt with by the Overview and scrutiny committee on 21st July.

Priority

3

Responsible Officer

Strategic Services Manager

Timescale

31st July 2022

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

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Council Tax Support & Housing Benefits

City of York Council

Internal Audit Report

Business Unit: Customer and Communities Directorate
Responsible Officer: Director of Customer and Communities
Service Manager: Head of Customer and Exchequer Services
Date Issued: 14/11/22
Status: Final
Reference: A1340/001

	P1	P2	P3
Actions	0	0	0
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

York's local Council Tax Support (CTS) scheme is a means tested council tax discount scheme. It provides up to a maximum 77.5% discount for eligible applicants of working age and, as required by central government, up to a 100% discount for eligible applicants of pension credit age.

The Housing Benefit (HB) scheme is a means tested scheme for tenants and provides eligible applicants with a financial contribution towards the payment of their rent. The benefit is paid depending on the type of landlord. For council tenants it is paid directly to their rent account, and for private tenants it is paid directly to the landlord.

The Council currently has a combined total of 9,657¹ claimants for Council Tax Support and Housing Benefit.

In March 2020, in response to the Covid-19 pandemic, the Council implemented additional council tax support by way of the Covid-19 Discretionary Hardship payments, which was followed later in the year by the Self-Isolation payments. These measures have now been withdrawn.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- There are suitable quality assurance checks in place for CTS and HB applications, changes in circumstances, and decision disputes, to confirm these are assessed accurately, correctly and within a reasonable timeframe.
- Suitable performance monitoring is undertaken for overpayments and adjustments, including recovery efforts; write offs are appropriately authorised.
- The performance of the Council's CTS and HB function is monitored and benchmarked against other councils.

The audit also followed up the action agreed during the 2020/21 Council Tax Support and Housing Benefit audit to confirm whether it had been completed.

Key Findings

A sound control environment was found to be in place, with suitable quality assurance and performance monitoring controls in operation.

¹ Figure accurate as of April 2022.

A suitable system of quality assurance (QA) is in place for new CTS and HB claims and changes in circumstance, ensuring claims are calculated correctly, accurately and within a reasonable timeframe. QA checks are completed using checking templates that cover key areas recommended in good practice guidance such as key claim-related dates, personal and household details, and evidence required to support the claim. Each month the service reviews at least 4% of all assessments made, with sample selection targeting cases that present a higher risk of incorrect calculation such as high adjustments. Separation of duties is in place for the completion of QA checks and audit testing found all of these were completed by a different officer than the original assessor. Volumes and types of errors are identified and recorded as part of the quality assurance process. The outcome of QA checks is fed back to officers and reminders are sent to assessors to address any issues that have been identified.

Appeals are tracked via the appeals spreadsheet which records progress and outcomes. Information from the appeals spreadsheet is included in the performance information circulated to service managers and the Head of Customer, Resident and Exchequer Services.

When the Covid-19 Self-Isolation payment scheme was in place, claims were assessed prior to payment being made. At the time of the 2020/21 audit a post-payment assurance plan for Covid-19 Self-Isolation payments was being formulated. An action was agreed for the service to check a sample of Covid-19 self-isolation payments to test the viability of completing post-payment checks on 10% of all payments. Officers reported that, following this action being agreed, the number of payments increased significantly, and it was therefore decided that post-payment checks would not be viable due to workload and available resources. Instead, officers stated that they remained vigilant to any claims where there were concerns. Several cases were subsequently referred to Veritau's counter-fraud team for further investigation. While the action was not completed as originally agreed, officers have taken reasonable steps to investigate and recover funds where there were particular concerns.

Overpayment data is collected regularly and summarised for performance management purposes. Recovery of overpayment debt dropped during the Covid-19 pandemic due to the corporate pause in recovery activity. Invoiced recovery exceeded performance targets in 2021/22, but clawback was below target. Officers explained this was due to a reduced caseload. Write offs of overpayments stood at 2.5% (£98K) for 2021/22 which is consistent with previous year's figures. Audit testing found that all write offs reviewed had been appropriately authorised and had suitable reasons documented.

Performance data is collected monthly across the key functions in CTS and HB and circulated to management for review. Benchmarking activity is undertaken regularly with other local authorities², with quarterly meetings held for discussion of performance figures. Caseloads and processing times are monitored monthly by the Revenues/Benefits and Subsidy Manager. HB processing times for 2021/22 were better than the average in England and in line with Council targets for new claims. Council Tax Support processing times have increased since 2019/20 and were above target for new claims in 2021/22. These had been allowed to increase to accommodate additional work projects required by central government, but it was noted that processing times decreased in the final quarter of 2021/22.

² Via the North East Yorkshire, Lincolnshire and the Humber Joint Operational board.

Overall Conclusions

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

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Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
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Poppleton Road Primary School Internal Audit Report 2021/22

Headteacher: D Glover
Date Issued: 22 July 2022
Status: Final
Reference: 15691/021

	P1	P2	P3
Actions	0	3	4
Overall Audit Opinion	Reasonable Assurance		

Summary and Overall Conclusions

Introduction

This audit was carried out remotely as part of the internal audit plan for People Directorate for 2021/22. In response to guidance proposed by the Department of Education, key members of City of York Council's finance team and school business management team confirmed they would benefit from periodic full school audits across the maintained schools in the city. All schools selected for these audits are done so in accordance with a detailed risk assessment.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to governors, the headteacher and management that internal controls within school and its systems are operating effectively to manage key risks both of a financial nature and otherwise.

The audit covered the following areas in accordance with the specification:

- Governance
- Financial management
- System reconciliation
- Contracts – ordering, purchasing and authorisation
- Income
- Capital and property
- Human resources
- Payroll
- School meals
- School fund
- Data protection
- Insurance and risk management
- Inventory records
- Security and
- Safeguarding arrangements.

Key Findings

A review of the school's governance procedures confirmed that meetings for both the full governing body and the finance committee are held frequently, with evidence of a key communication channel between the two bodies seen within meeting minutes. Key processes including budget setting and the SFVS (school financial value standard) return are completed correctly with the appropriate authorisation.

A log of statutory policies is in place to ensure review and authorisation of key documents occurs in line with requirements. However, the budget management policy and scheme of delegation have not been reviewed since 2014. Declarations of interest were found to be in place for all governors and these had been reviewed recently and uploaded to the school's website. The terms of reference for the finance committee could be provided, however the last approval date could not be evidenced and the document had not been signed.

Bank reconciliations are undertaken on a monthly basis and are independently signed off before submission to the local authority. Testing of expenditure confirmed that there is a good level of independent checking throughout any procurement of goods and services. Invoices are paid promptly and accurately in relation to supporting documentation. Quotations had been sought for recent, significant value expenditure and details of suppliers and costings could be provided by the school bursar and headteacher. A contract schedule is in place and the school has retained evidence of contractor insurance. The school had not recently undertaken any capital projects.

A review of procurement card usage confirmed purchases had not always been made by the card holder and transaction logs were often not completed by the card holder, but instead by the school bursar who also reconciles card usage with the bank statements. There was also some evidence to confirm use of a personal loyalty card alongside payment using the school procurement card.

A sample of income was reviewed and this confirmed that the school encourages a cashless environment through the use of electronic income methods. Records of income across all streams are maintained and frequent reconciliations help to ensure that payment is received or chased accordingly. School meals are monitored through weekly registers and supporting evidence relating to free school meal status is checked and reconciled frequently.

Payroll amendments, including instances of sickness absence and maternity leave, are being managed correctly and notifications of these amendments are submitted to the payroll provider promptly. A further check of the payroll identified no discrepancies between current staff and the latest payments made. However, it was confirmed that the payroll output reports are checked by the same member of staff who is also responsible for submitting payroll information. The review of HR files confirmed that fit notes were all present for a sample of sickness absence, but return to work interviews were not being completed and absence trigger points had not been followed up.

A sample of HR files checked during the audit contained all required evidence of right to work to UK and relevant staff qualifications. However, some DBS certificates had been retained for longer than 6 months following initial recruitment. A single central record is maintained and risk assessments are completed for staff who start work prior to DBS clearance being received. The school's child protection policy was last reviewed in January 2022 and clarifies the roles of designated safeguarding lead and the processes in place should a deputy need to stand in. All members of staff with key safeguarding responsibilities have undertaken the correct training for their roles.

A review of the school fund was carried out and this confirmed that the account is independently checked and the transactions within this account are appropriate. A £30 petty cash fund is maintained and this is also used as expected and is kept securely with limited access.

Security of both information and tangible assets is well maintained with data protection procedures in place as well as an extensive inventory of all physical goods. Veritau Ltd is the DPO (data protection officer) for the school and therefore there is a good level of guidance and support available to staff and governors in relation to data protection. A well-established inventory is maintained and contains key information that would support any claim that would need to be made in the event of theft or loss. A record of disposal is also in place to ensure any items that are sold or disposed of are recorded. However, the school needs to ensure that independent checks of a sample of inventory items are carried out on an annual basis.

Overall Conclusions

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Budget management policy

Issue/Control Weakness

The budget management policy and scheme of delegation have not been reviewed since 2014.

Risk

Budget management and monitoring is ineffective and this leads to financial implications.

Findings

The budget management policy and appended scheme of delegation, produced during the audit, were last reviewed and authorised by governors in 2014. This therefore means that the requirement to review these documents on annual basis has not been met.

Recommendation

The budget management policy and scheme of delegation should be reviewed, updated and authorised on annual basis to ensure the contents of these documents remains current and valid.

Agreed Action 1.1

The budget management policy and scheme of delegation will be reviewed in the Autumn term, and then on an annual basis.

Priority

2

Responsible Officer

Headteacher

Timescale

December 2022

2 Terms of reference

Issue/Control Weakness

The terms of reference for the finance committee had not been signed off and the school was unable to evidence the last review of these terms.

Risk

The finance committee is able to operate outside of its delegated limits and powers.

Findings

The terms of reference for the finance committee were provided during the audit. These had not been signed by the chair of governors and the last review date of these terms of references could not be confirmed.

Recommendation

Where a finance committee exists, the governing body should define in writing the terms of reference for the committee and the extent of its delegated authority. These should be reviewed annually or whenever there are any changes to the committee members.

Agreed Action 2.1

The terms of reference for the finance committee will be defined in writing in the Autumn term and then on a annual basis or when there are any changes to the committee members.

Priority

3

Responsible Officer

Headteacher

Timescale

December 2022

3 Procurement card use and management

Issue/Control Weakness

Procurement cards have been used by staff members other than the card holders. Transaction logs and reconciliation with the bank statement were being completed by the same person.

Risk

Procurement cards could be used for unsuitable purchases and not be identified from the reconciliation of the transaction log with the bank statement.

Findings

Procurement cards had been used frequently by members of staff not named on the cards. One card holder's procurement card had been used by a staff member while they were away on maternity leave. Staff members had used personal loyalty cards when making purchases for school. Whilst personal loyalty cards can reduce the purchase cost of items they also result in a small benefit to the card holder. Staff members should not personally benefit from purchases made on behalf of the school and school loyalty cards should be obtained to benefit from any reduced costs.

Transaction logs were not completed by the card holder, but instead being maintained by the same person responsible for the final checking of card usage. The transaction log was being completed from invoices provided by the card users and then reconciled against the bank statement. VAT invoices were recorded as attached to the transaction log, however correct VAT invoices were not present on file for all purchases. If VAT is reclaimed on purchases the correct VAT invoices should be obtained.

Recommendation

Procurement cards should only be used by the card holder. Transaction logs should be completed by the card holder then passed onto the school bursar for final reconciliation with the bank statement. Personal loyalty cards should not be used when making purchases for school. VAT invoices should be obtained if VAT is reclaimed on purchases.

Agreed Action 3.1

The school is aware that procurement cards should only be used by the card holders and the transaction logs completed by the card holders and cross-referenced by the Bursar. VAT invoices are obtained if the VAT is to be reclaimed, and the card holders are aware that personal loyalty cards must not be used with their procurement cards

Priority

2

Responsible Officer

Headteacher

Timescale

May 2022

4 Absence management

Issue/Control Weakness

Return to work interviews have not been completed and absence management procedures have not been followed.

Risk

Sickness absence and staff fitness to work may not be effectively monitored or managed, resulting in further absence or litigation.

Findings

Return to work interviews had not always been completed or documented following sickness absence. Return to work forms were not fully completed and/or signed off consistently. A member of staff had reached one of the absence trigger points but no documented review of this was available and this same member of staff had not received a formal return to work interview.

Recommendation

Return to work interviews should be completed and documented after each staff absence. Any instances of absence meeting trigger points should be documented and followed up accordingly.

Agreed Action 4.1

Return to work interviews are now carried out on the employee's return and any meeting trigger points are correctly documented and followed-up accordingly.

Priority

2

Responsible Officer

Headteacher

Timescale

May 2022

5 Retention of DBS certificates in HR files

Issue/Control Weakness

DBS certificates are held for longer than necessary.

Risk

Breaches of DBS code of practice and data protection regulations leads to fines payable by the school.

Findings

Some DBS certificates had been retained in staff HR files for longer than 6 months following initial recruitment. Guidance on retention of DBS certificates states that they should be destroyed after a suitable period has passed which is usually no longer than 6 months: [DBS check requests guidance for employers](#)

Recommendation

HR files to be checked and any DBS certificates securely destroyed for staff who have been employed longer than 6 months.

Agreed Action 5.1

All HR files have now been checked and any DBS certificates have been shredded.

Priority

3

Responsible Officer

SBM

Timescale

May 2022

6 Payroll checks

Issue/Control Weakness

There is a lack of independence between the inputting and checking of payroll data.

Risk

Amendments to pay are made fraudulently and are not identified meaning the school suffers avoidable financial loss.

Findings

The final payroll calculations are checked by the same member of staff with the responsibility for submitting payroll information. Although there was no evidence to suggest discrepancies in any payments made, the current process lacks the key separation in duties that would help to capture any inaccuracies in the payroll.

Recommendation

The monthly payroll reports should be checked and countersigned by a second officer who is independent of the data input process.

Agreed Action 6.1

The Powersolve prints for payroll are now checked and signed by the headteacher on a monthly basis.

Priority

3

Responsible Officer

SBM

Timescale

May 2022

7 Independent checks of the inventory

Issue/Control Weakness

Independent checks of the inventory are not carried out on an annual basis.

Risk

Theft or loss of school property is not identified and the school suffers financial loss.

Findings

The school currently maintains an extensive and detailed inventory along with a record of disposal. However, the inventory is not currently subjected to independent checking on a regular basis.

Recommendation

The school should continue to maintain the inventory and introduce annual, independent checks of a sample of inventory items. The details of these independent checks should be recorded.

Agreed Action 7.1

The inventory has now been checked by the site manager against items held in school and this will now be done on an annual basis. The inventory will be updated accordingly.

Priority

3

Responsible Officer

SBM

Timescale

May 2022

Audit Opinions and Priorities for Actions

Audit Opinions

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Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
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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.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information

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