



Woodthorpe Primary School
City of York Council
Internal Audit Report 2015/16

Business Unit: Primary Schools:
Head teacher: Mr J McCann
Date Issued: 26 May 2016
Status: Final
Reference: 15653/002

	P1	P2	P3
Actions	0	0	3
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

The audit was carried out on Monday 21st and Tuesday 22nd March as part of the Internal Audit plan for Children's Services, Education and Skills for 2015/16. Schools are audited in accordance with a detailed risk assessment.

Objectives and Scope of the Audit

The purpose of this audit was 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 11th January 2016 :

- Governance and Financial Management
- System Reconciliation
- Banking Arrangements
- 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
- Inventories
- Safeguarding

Key Findings

The school has faced a challenging year, including several key staffing changes. In addition the school has faced difficulties this year with the implementation of the new CYC finance system and significant effort has been put into working around these to ensure that the finances are managed even when it was not possible to undertake all the standard financial procedures. Some of the financial procedures were relatively new

and not fully embedded, such as the contract review schedule, and staff absences had caused a delay to some procedures, such as bank reconciliations however work is on-going to address this.

The key findings in the report relate to the inventory and retaining evidence for Right to Work in the UK checks.

Overall Conclusions

It was found that the arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

1 SFVS

Issue/Control Weakness

There was no evidence that the SFVS had been presented to and agreed by the Full Governing Body before being submitted to the authority.

Risk

The Governing body does not take responsibility for the SFVS and ensure it adequately reflects controls in place at the school in accordance with DfE requirements

Findings

The school completed their SFVS return and it has been signed by the Chair of Governors. However from the minutes it appears that it was approved by the finance committee rather than the Full Governing Body. It is specified in the SFVS return that “The governing body or the management committee may delegate the consideration of the questions to finance or other relevant committee, but a detailed report should be provided to the full governing body or the management committee and the chair of governors or the chair of the management committee must sign the completed form”.

Recommendation

Future SFVS returns should be submitted to and approved by the full Governing Body before being signed and submitted to the Authority. This should be reflected in the committee minutes.

Agreed Action 1.1

Agreed

Priority

3

Responsible Officer

Andrea Lawson

Timescale

Next SFVS return

2 HR

Issue/Control Weakness

Evidence of right to Work in the UK checks are not always retained

Risk

The school may be unable to demonstrate compliance with the Immigration, Asylum and Nationality Act 2006 and penalties may be incurred.

Findings

The school confirmed that the Right to Work in the UK is verified for all new starters. Testing for a sample of recent new starters highlighted that evidence is not always retained for these checks.

Recommendation

The school should retain evidence of the Right to Work in the UK for all staff going forward.

Agreed Action 2.1

Agreed

Priority

3

Responsible Officer

Andrea Lawson

Timescale

Immediately

3 Inventory

Issue/Control Weakness

The annual independent check of the inventory records is not adequately evidenced.

Risk

It is unclear when the inventory was independently checked and items lost or misappropriated may not be highlighted and investigated.

Findings

Assurance was given that the inventory record at the school is physically checked on an annual basis by an officer independent of maintaining the record.. However, the school does not evidence the check by t printing off a copy of the inventory that is checked and signed as being correct at that point in time. Additionally, if a verified inventory is not printed any lines subsequently removed from the inventory, accidentally or otherwise, may not be identified.

Recommendation

On an annual basis the school should print a copy of the inventory, check and sign that copy and retain for future reference.

Agreed Action 3.1

Agreed

Priority

3

Responsible Officer

Andrea Lawson

Timescale

June 2016

Audit Opinions and Priorities for Actions

Audit Opinions

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.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

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.
Reasonable 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.

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