



St. Mary's CE Primary School
City of York Council
Internal Audit Report 2015/16

Business Unit: Primary Schools:
Headteacher: Mrs R Ellis
Date Issued: 7th June 2016
Status: Final
Reference: 15643/002

| | P1 | P2 | P3 |
|------------------------------|----------------|----------|----------|
| Actions | 0 | 0 | 1 |
| Overall Audit Opinion | High Assurance | | |

Summary and Overall Conclusions

Introduction

The audit was carried out on Wednesday 4th and Thursday 5th December 2015 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 7th October 2015 :

- 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

Systems within the school are operating well. The school has faced challenges 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 well managed even when it was not possible to undertake all the standard financial procedures.

In addition to the individual school audit, themed audits for schools are being undertaken in 2015-16 and the school should look to implement any additional actions that come out of those audits. The finding in this report relates to the school not having a contract review schedule.

Overall Conclusions

It was found that the arrangements for managing risk were very good. An effective control environment appears to be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided High Assurance.

1 Contracts, Purchasing and Authorisation

Issue/Control Weakness

The school does not have an up to date contract review schedule.

Risk

All contracts may not be reviewed efficiently and best value may not be obtained.

Findings

The school does not have a consolidated record of service contracts and continuing contractual arrangements (contract review schedule). A contract review schedule supports and evidences that all continuing contractual arrangements are periodically reviewed to ensure they meet current requirements, have been correctly costed (for budget purposes) and are programmed for re- tender where applicable.

Recommendation

It is recommended that a central schedule of current contracts is maintained and contract review at the school is evidenced through review of this record.

Agreed Action 1.1

Agreed

Priority

3

Responsible Officer

Head

Timescale

July 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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