



St. Wilfrid's RC Primary School
City of York Council
Internal Audit Report 2014/15

Business Unit: Primary Schools,
Headteacher: J Conway
Date Issued: 26/03/15
Status: Final
Reference: 15647/003

	P3	P2	P1
Findings	3	1	0
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

This audit was carried out on Tuesday 9th September and Wednesday 10th September 2014 as part of the Internal Audit plan for Children, Education & Skills for 2014/15.

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 were operating effectively to manage key risks, both financial and otherwise.

The audit covered the following areas in accordance with the specification issued on 8th July 2014:

- Governance;
- Financial Management;
- System Reconciliation;
- Petty Cash
- Contracts – Ordering, Purchasing and Authorisation;
- Income;
- Capital and Property;
- Additional School Activity Provision;
- Human Resources;
- Payroll;
- School Meals;
- Pupil Numbers;
- Early Years;
- Voluntary Funds Monitoring Arrangements;
- Data Protection and Information Technology;
- Insurance and Risk Management;
- Joint Use Facilities;
- Inventory Records;
- Security; and
- Safeguarding Arrangements.

1 Issue/ Control Weakness Risk

There was no evidence to confirm that the School's Financial Value Standard (SFVS) return for 2013/14 had been discussed and approved by the FGB before being submitted the LEA. Review of the SFVS highlighted that responses for the school may not have been accurately recorded in all areas.

The lack of documented challenge by Governors may result in an inaccurate SFVS return being submitted.

Findings

In the minutes of the Finance & Staffing Committee 19 November 2013 the SFVS was referred to the next meeting. However as this would have been after the advised submission date, at the meeting of FGB 12/12/13 it was agreed that the SFVS would be discussed at an additional meeting held on the training day on 6/1/14. There is however no minuted record of this meeting. Review of the signed and submitted SFVS return highlighted that although some of the questions were not fully met this had not been accurately recorded on the return (the response to all questions was "yes" rather than for some being "in part"). In particular it was noted that the response for benchmarking was "Yes" indicating that the requirement was fully met, however a full benchmarking exercise had not been completed and reported to Governors. No remedial action in relation to benchmarking was recorded.

Recommendation

The SFVS can be completed at any point in the year and therefore completion should be planned to allow approval before the notified submission date. Questions should be accurately answered Yes, No or In Part and any remedial action required should be recorded in the final section of the return. Discussion of the SFVS should be minuted and approval of the return clearly recorded in the minutes of the FGB.

1.1 Agreed Action

Due to the SFVS not being signed at a Governors meeting but being signed at a later date in school, there was no formal minute of the sign off of the SFVS on the 6th January 2014. However, the SFVS itself can be evidenced as having been signed off by the Chair of Governors and submitted in advance of the deadline of 30th January. In future we will ensure that the SFVS is signed off at a scheduled FGB and that the action is minuted accordingly.

Priority	2
Responsible Officer	School Business Manager
Timescale	31 January 2015

2 Issue/ Control Weakness Risk

There has been no recent financial benchmarking exercise at the school. Spend may not be effectively targeted, savings may not be identified, and value for money may not be achieved.

Findings

A benchmarking exercise is generally completed around January time. There was no evidence that a benchmarking exercise had been completed in 2013 and had not been completed in January 2014 due to other pressures.

Recommendation

A benchmarking or comparative exercise to identify whether there are particular areas of spend where the school may be challenged and could potentially make savings should be completed and the results presented to governors for discussion.

2.1 Agreed Action

The Bursar and SBM continually benchmark the school as part of our support services and any areas for potential improvement are highlighted in the regular monitoring reports. As part of our service we also carried out a formal financial benchmarking exercise prior to the SFVS being submitted in January 2015. A benchmarking report covering a range of aspects of school operations and financial performance will be presented to the Governors meeting scheduled for 19th March 2015.

Priority	3
Responsible Officer	School Business Manager and Bursar
Timescale	31 March 2015

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Severity
Probability



3 Issue/ Control Weakness Risk

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Findings

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Recommendation

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3.1 Agreed Action

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Severity
Probability



4 Issue/ Control Weakness Risk

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4.1 Agreed Action

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Priority
Responsible Officer
Timescale

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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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