

Wigginton Primary School
City of York Council
Internal Audit Report 2018/19

Headteacher: P Laycock
Date Issued: 02/04/19
Status: Final
Reference: 15691/014

	P1	P2	P3
Actions	0	0	7
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

This audit has been carried out as part of the Internal Audit plan for Children, Education and Communities for 2018/19. Schools are audited in accordance with a detailed risk assessment.

Objectives and Scope of the Audit

The purpose of this audit is to provide assurance to Governors, the Headteacher and management that procedures and controls in the areas listed below are working adequately and are well controlled.

The audit reviewed processes and transactions in the following areas:

- 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
- Joint Use Facilities
- Inventories
- Safeguarding

Key Findings

Processes in the most areas reviewed were generally working well, and records were clear and well maintained. The school is not in a deficit position financially and balances seem reasonable and consistent.

It was found that there was no complete schedule of contractual arrangements maintained and procedures in place to ensure contractors and other groups using the school have sufficient insurance need to be improved.

There were two data protection issues identified during the audit in relation to the Publication Scheme and evidence of the destruction of records. The school uses Veritau as its Data Protection Officer and is in the process of reviewing its procedures against the advised policies and templates.

The school does not have a debt management policy in place to ensure debtors are treated consistently. Also it was found that an inventory record is not maintained for the school.

Declarations of interest were not held at the school for all Governors, however, it was confirmed that all declarations had been published on the schools website and were renewed at the September 18 Full Governing body meeting. The school however should ensure copies of these declarations are held on site.

Some additional minor issues were identified and discussed at the closing meeting with no formal recommendations made.

Overall Conclusions

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. Contracts

Issue/Control Weakness

There is no schedule of current contractual arrangements at the school.

Risk

Review or re-tender may not be effectively scheduled and contracts may exist that are no longer appropriate for the school.

Findings

At the time of the audit there was no complete schedule of ongoing contracts at the school, recording the value of the contract the contract period and the date of renewal date. Therefore it could not easily be confirmed that contractual arrangements are reviewed and scheduled for re-tender where appropriate. This document is also useful for ensuring contract costs are correctly included in the schools budget.

Recommendation

The school should maintain a schedule of contracts. It is recommended that this is presented to Governors so that they are aware of all the contractual arrangements at the school.

Agreed Action 1.1

A record will be compiled in excel of all contractors used in school together with contact details, costs, end date and renewal dates. This schedule will be presented to Governors

Priority

3

Responsible Officer

School Business
Manager

Timescale

31st March 2019

2 Insurance Checks

Issue/Control Weakness

Contractors directly commissioned to complete works at the school and other groups using the school may not have adequate public liability insurance cover.

Risk

The school may be liable in the event of an accident.

Findings

A sample of contractors recently completing works, or delivering services at the school, were tested to ensure they had adequate insurance cover. Out of 5 tested 4 had no certificate to confirm the adequacy of insurance held. In one case 1 million public liability cover was confirmed when the requirement is for a minimum of 5 million to be held.

It was also found that, out of 5 organisations using the school under lettings, only 2 had adequate evidence of insurance on file concurrent to the letting.

Recommendation

If the school requests a contractor to carry out works at a school or a private organisation is using the school eg under lettings school, a copy of insurance certificates should be retained on file to evidence that they have current cover of at least £5 million.

If the contractor or organisation visits the school on a regular basis, a system should be in place to ensure the insurance certificate is updated when the expiry date has been reached.

Agreed Action 2.1

It was subsequently found that the organisations identified during the audit had adequate insurance in place and the filing system has been improved so certificates are held in one place for each organisation. Further controls have been introduced to ensure these certificates are kept up to date.

Priority

3

Responsible Officer

School Business
Manager

Timescale

Complete

3. Debtors

Issue/Control Weakness

There is no debt management policy at the school.

Risk

All debtors may not be treated on an equitable basis.

Findings

It was noted that there were two significant dinner money debts (over £300). Debts are actively pursued by the school but there is no policy to ensure consistency in approach to debtors.

Recommendation

It is recommended that the school adopts a debt management policy which outlines the action to be taken in the event of a debt and the arrangements for pursuing debts.

Agreed Action 3.1

CYC are currently working on adapting their current debt management policy to be more applicable to typical debt levels across all York schools.
If this is not available a debt policy can be introduced that is specific to the school.

Priority

3

Responsible Officer

School Business
Manager

Timescale

30th April 2019

4. Uniform Sales

Issue/Control Weakness

Uniform stock checks are not completed. A stock count is completed for re-ordering purposes only.

Risk

All income from uniform sales may not be collected or stock may not be accounted for.

Findings

Parents currently have the option to purchase uniform from a stock held by the school. A stock count is completed when a bulk purchase is to be made from the supplier. All sales from stock are receipted. However, there is no verification that stock on hand agrees with school records ie to ensure uniform sales and stock on hand reconciles to purchases from the supplier.

Recommendation

If the school is to continue to sell uniform, uniform sales and stock on hand should be periodically reconciled to purchases from the supplier eg a termly reconciliation.

Agreed Action 4.1

Sales, stock and purchases will be reconciled on a termly basis and recorded in the school uniform folder kept on site.

Priority

3

Responsible Officer

Office Manager

Timescale

28th February 2019

5 Publication Scheme

Issue/Control Weakness

The Publication Scheme had not been adopted in full by the school.

Risk

Statutory Requirements in relation to Freedom of Information may be breached.

Findings

On the schools website, under Freedom of Information, there was no copy of the standard Publication Scheme, only the Schedule of Information that should accompany the scheme had been published. There was no evidence of the full scheme being adopted by the school.

Recommendation

The standard Publication Scheme (from the ICO website) as well as the accompanying Schedule of Information should be adopted by the Governing Body and a published on the website.

Agreed Action 5.1

The standard ICO Publication Scheme will be adopted with the schedule of information at the next Finance and Resources Committee meeting on 11th April. It will then be put on the school website.

Priority

3

Responsible Officer

Headteacher

Timescale

30th April 2019

6 Records Management

Issue/Control Weakness

The school does not record what information is being destroyed or archived in line with retention guidance.

Risk

The school cannot evidence information has been destroyed or archived and records may be kept for longer than is required in Data Protection legislation.

Findings

The school uses the IRMS Retention Schedule to identify document retention periods. Assurance was given that records are destroyed or archived in accordance with the schedule. However no record is maintained to evidence this.

Recommendation

The school should adopt a method of recording the destruction or archiving of records to evidence compliance with the IRMS retention schedule. Suitable guidance is given in the IRMS toolkit available online or template destruction schedules available from the schools DPO.

Agreed Action 6.1

The Veritau template and retention and destruction schedule is used by the school and where this does not cover events we use the 'IRMS Records Management Toolkit' for Schools. Future destruction or archiving off site will be recorded.

Priority

3

Responsible Officer

School Business Manager and School Office Manager

Timescale

Complete

7 Inventory

Issue/Control Weakness

No inventory record is currently maintained.

Risk

Items which are lost or misappropriated may not be identified. In the event of an insurance claim the school may not have a record of items and the claim may be affected.

Findings

The school does not currently maintain an inventory record. It is understood the school is requesting a list of all equipment provided under their ICT Managed Service and has a record of electrical equipment for PAT testing purposes which could form the basis for an inventory to be compiled.

The inventory should record items which are considered valuable, portable and desirable, and items acquired on rental/lease agreements (eg photocopiers). However, a de-minimis level can be set below which items are not routinely recorded.

The inventory record should be subject an annual independent check and any discrepancies investigated.

Recommendation

An inventory record should be compiled. Advice on the format of the record and brief guidance has been provided to the school.

On an annual basis the inventory should be checked by a person independent to the upkeep of the record. A hard copy should be signed and a record of annual checks maintained. Any items disposed of should be recorded and their disposal authorised.

Agreed Action 7.1

An inventory record is being produced in an excel format for the school. This will include all relevant assets of value such as all IT equipment, photocopiers, smart boards and any other assets of note. Inventory controls will be applied to all recorded equipment.

Priority

3

Responsible Officer

School Business
Manager

Timescale

31st March 2019

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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