Veritau

Assurance Services for
the Public Sector

Carr Infant School

City of York Council

Internal Audit Report 2014/15

Business Unit: Primary Schools,
Headteacher: S Bell
Date Issued: 24/02/15
Status: Final
Reference: 15605/002

	P3	P2	P1
Findings	4	0	0
Overall Audit Opinion	High Assurance		

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Summary and Overall Conclusions

Introduction

This audit was carried out on Monday 12th January and Tuesday 13th January 2015 as part of the Internal Audit plan for Education, Skills and Children's Services for 2014/15.

Objectives and Scope of the Audit

The purpose of this audit is 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 26th November 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;
- Voluntary Funds Monitoring Arrangements;
- Data Protection and Information Technology;
- Insurance and Risk Management;
- Joint Use Facilities;
- Inventory Records;
- Early Years
- Security; and
- Safeguarding Arrangements.

Key Findings

The key findings in the audit relate to petty cash reimbursement, approval of the School's Publication Scheme, disposal of inventory items xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

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**.

Area Reviewed: Petty Cash

Severity
Probability

1	Issue/ Control Weakness	Risk

The school does not reclaim VAT on purchases made through petty cash.

The school does not receive all VAT reimbursements due.

Findings

The school holds a petty cash imprest of £100. Petty cash expenditure is currently recorded in a register, receipts to support payments are attached to a separate reconciliation record and reimbursements are recorded against an authorised order. The reimbursement does not take account of VAT codes for the individual items purchased therefore VAT is not reclaimed where appropriate.

Recommendation

The school should consider using an official petty cash book to record expenditure, the petty cash reconciliation and reimbursement.

The petty cash should be reimbursed against a petty cash book reconciliation (either from the official petty cash book or using the current reconciliation record) with attached receipts and the expenditure VAT coded accordingly.

1.1	Agreed Action

The recommendation will be actioned.

Priority	3
Responsible Officer	School Business Manager
Timescale	April 2015

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Area Reviewed: Publication Scheme

Severity
Probability

2	Issue/ Control Weakness	Risk
The school's publication scheme did not include the associated guide to information (which details the information available at the school, how it can be obtained and any associated costs).		The school may not be complying fully with the requirements under the Data Protection Act (DPA), Environmental Regulations (EIR) and Freedom of Information Act (FOIA) and statutory requirements may be breached.

Findings

The school's publication scheme was reviewed by the Curriculum Committee January 2014. This was the Information Commissioners Model Scheme but the associated guide to information did not appear to be part of this document. Additionally, there was no minuted record to confirm that the reviewed scheme had been approved by the Full Governing Body.

Recommendation

The Information Commissioners Model Publication Scheme for Schools including the guide to information can be obtained from the ICO website. The scheme should be adopted in full, unedited and promoted alongside the guide to information. The approved Publication Scheme and schedule guide to information should be approved by the Full Governing Body and made available to parents eg published on the schools website.

2.1   Agreed Action

The recommendation will be actioned.

Priority	3
Responsible Officer	School Business Manager
Timescale	February 2015

Area Reviewed: Inventory

Severity
Probability

3	Issue/ Control Weakness	Risk
Not all items removed from the inventory have an authorised record of disposal.		Inventory items may be disposed inappropriately or may be misappropriated.

Findings

The schools inventory record was last checked in September 2014. A sample of items marked on the record as disposed of were checked to ensure an authorised disposal record was in place. In one case (disposal of a television in July 2014) a disposal notice could not be found.

Recommendation

Inventory items which are disposed of should have an associated disposal notice recording the reason for disposal and how this was undertaken. This should be authorised by an appropriate officer (normally the Headteacher). If any income is obtained from this disposal this should be cross referenced to the income receipt and paying in record.

3.1	Agreed Action		
The recommendation will be actioned.	**Priority**	3	
	Responsible Officer	School Business Manager	
	Timescale	April 2015	

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Area Reviewed: xxxxxxxxxxxxxxxxxx

4	Issue/ Control Weakness	Risk

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Findings

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Recommendation

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4.1	Agreed Action

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Priority	X
Responsible Officer	xxxxxxxxxxxxxxxxxxx
Timescale	xxxxxxxxxxxx

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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.
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.

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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.

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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