

Fishergate Primary School

City of York Council

Internal Audit Report 2014/15

Business Unit: Primary Schools,
Headteacher: A Herbert
Date Issued: 29/04/15
Status: Final
Reference: 15616/002

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

Summary and Overall Conclusions

Introduction

This audit was carried out on Tuesday 18th November and Thursday 20th November 2014 as part of the Internal Audit plan for Adults, Children and Education 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 13th October 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 maintenance of the xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, ensuring compliance with the Council's procurement procedures, the completion of inventory checks xx

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**

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Severity
Probability



1 Issue/ Control Weakness Risk

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Findings

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Recommendation

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1.1 Agreed Action

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		Responsible Officer	XXXXXXXXXXXXXXXXXXXX
		Timescale	XXXXXXXXXXXXXXXXXXXX

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Severity
Probability



2 Issue/ Control Weakness Risk

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Findings

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Recommendation

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2.1 Agreed Action

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Priority

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Responsible Officer

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Timescale

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3 Issue/ Control Weakness Risk

The School's Financial Value Standard (SFVS) return for 2013/14 had not been ratified by the Full Governing Body before being submitted the LEA. Failure to comply with DfE requirements.

Findings

The SFVS for 2013/14 was presented and approved at the Finance & Staffing meeting 14/1/14. The return had not been presented to and ratified by the Full Governing Body.

Recommendation

The SFVS can be completed at any point in the year and therefore completion should be planned to allow approval and presentation to the Full Governing Body before the notified submission date.

3.1 Agreed Action

The SFVS will be placed on the Full Governing Body agenda in January of each year for ratification. Finance Committee will continue to deal with this as part of their business, but report to Full Governing Body before returning to LA.

Priority	3
Responsible Officer	Chair of Finance Committee, School Bursar
Timescale	January Full Governing Body Meeting

Area Reviewed: Ordering, Purchasing & Authorisation

Severity 
Probability 

4 Issue/ Control Weakness Risk

Goods costing in excess of £5,000 had been purchased without full compliance with the Councils Financial Regulations and Contract Procedure Rules. The schools purchasing decision is at risk of challenge and best value may not be achieved.

Findings

The school had purchased a Gazebo costing approximately £8,000. The Council's Financial Regulations and Contract Procedure Rules require three written quotes to be obtained for this level of expenditure. Two written and one verbal quote had been obtained. One of the written quotes was not current (dated 2010).

Recommendation

When purchasing goods or services costing in excess of £5,000 at least 3 written quotations should be obtained. If the school is unable to obtain three quotations an official waiver should be obtained from the council prior to letting the contract.

4.1 Agreed Action

It will be ensured in future that all best value procedures are followed in every case.

Priority	3
Responsible Officer	SBM/Headteacher
Timescale	Immediate

5 Issue/ Control Weakness Risk

The school fund audited accounts had not been presented to Governing Body. The Trustees of the school fund may not be aware of the financial position of the school fund.

Findings

The governors are registered trustees of the school fund and as such are responsible for ensuring the correct management and administration of the fund. There is currently no record that the audited accounts are presented to the trustees

Recommendation

As trustees of the school fund, the Governing Body should be presented with the set of audited accounts and annual report on the operation of the fund.

5.1 Agreed Action

The school fund accounts will be passed through the Finance Committee to the Full Governing Body for agreement annually.

Priority

3

Responsible Officer

Bursar/Headteacher

Timescale

Finance Committee
 February and Full
 Governing Body April

Area Reviewed: Inventory

Severity 
Probability 

6 Issue/ Control Weakness Risk

The inventory record has not been independently checked on an annual basis. Items which have been lost or misappropriated may not be identified and investigated.

Findings

An electronic inventory record is maintained by the school. The school inventory record was last checked in 2012.

Recommendation

An inventory check should be completed on an annual basis by an officer independent of maintaining the inventory record. The inventory record should be signed and dated by the checking officer. A log of all annual checks should also be maintained recording the date and the name of the officer completing the check.

6.1 Agreed Action

The inventory record will be checked and signed off annually by the Headteacher.

Priority	3
Responsible Officer	Headteacher/SBM
Timescale	July 2015

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Severity
Probability



7 Issue/ Control Weakness Risk

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Findings

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Recommendation

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7.1 Agreed Action

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Priority	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Responsible Officer	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Timescale	XXXXXXXXXXXXXXXXXXXXXXXXXXXX

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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