

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

Business Unit: Primary Schools,  
Headteacher : K Boardman  
Date Issued: 07/03/16  
Status: Final  
Reference: 15640/002

	P1	P2	P3
<b>Actions</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>Overall Audit Opinion</b>	Substantial Assurance		

# Summary and Overall Conclusions

## Introduction

This audit was carried out on Thursday 7th January and Friday 8th January 2016 as part of the Internal Audit plan for Education, Skills and Children's Services for 2015/16.

## 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 25th September 2015:

- 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;
- Minibus.
- Security; and
- Safeguarding Arrangements.

## Key Findings

The key findings in the audit related to ensuring approved policies can be easily identified and are monitored to ensure they are up to date, sickness self certification forms are completed in accordance with Council requirements and inclusion of the publication scheme on the schools website.

## Overall Conclusions

It was 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**

# 1 Policy Management

## Issue/Control Weakness

There is no consolidated record of school policies and review schedule to ensure all policies are up to date and an appropriate review frequency has been set. Additionally not all policies are signed and dated by the Chair on approval and therefore it may not clear which is the latest adopted version.

## Risk

Schools may be working to an incorrect policy which may not comply with current statutory requirements or best practice.

## Findings

The school maintains a schedule of agenda items for Governors and individual policy review is entered on this schedule. However, it was not immediately clear from these records when an individual policy was last reviewed and approved. It was also noted that there was no “master file” of policies in place and, although approval is minute, approved policies are not always signed and dated by the Chair. At the audit it was noted that the recently reviewed Budget Management Policy and Scheme of Delegation had not been signed.

## Recommendation

It is recommended that a master file of policies is set up and a review schedule maintained listing all school policies, the date of the last approval and the planned date of review. All approved policies should be signed and dated by the Chair of Governors or otherwise evidenced as approved. If the school prefers to hold the master file electronically an e-mail from the Chair could approve a pdf version or a signed copy of the policy could be scanned.

## Agreed Action 1.1

A full review of policies will be undertaken and the recommendations implemented in full.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

31 July 2016

## 2 Benchmarking

### Issue/Control Weakness

There has been no comprehensive benchmarking exercise completed for the school for a number of years.

### Risk

Spend may not be effectively targeted, savings may not be identified, and value for money may not be achieved.

### Findings

A benchmarking exercise had not been completed. It had been highlighted to governors at Resources Committee in February 2015 that there were two other PFI schools in York but none suitable to provide comparisons for a full benchmarking exercise. It was discussed at the audit that it may be appropriate to look at some targeted benchmarking in areas which would allow comparison to similar non PFI schools and use of benchmarking data from other PFI schools to look at percentage spends in some areas.

### Recommendation

It is recommended that and how effective use could be made of available benchmarking data is reviewed and completion of a benchmarking exercise is reconsidered.

### Agreed Action 2.1

The benefits of a benchmarking exercise are still considered to be minimal but a review will be undertaken and presented to Resources Committee governors in the summer term.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

31 July 2016

### 3 Income

#### Issue/Control Weakness

Income collection records for contributions to school trips etc are not retained to confirm banking of all income collected and allow contributions levels to be reviewed.

#### Risk

All income due may not be collected or accounted for

#### Findings

Income collected in the classrooms is passed to the office manager and the amounts received recorded daily in a daily record book. The original collection record (eg income collected recorded on a class list) is not passed to the office. There is therefore no confirmation that all income collected is recorded in the daily record and banked. There is also no review of contributions received. Income collected for educational trips and swimming lessons are banked in the school fund then periodically transferred by cheque to the BAFS account. It was noted that in excess of £11k in income is currently collected through school fund.

#### Recommendation

It is recommended that if the school continues with the current system the original classroom collection record is sent to the office with the income so handover can be recorded on the collection record and that this record is retained in the office after completion. Alternatively the school could consider a locked "post box" system at reception where parents could deposit contributions and records could be maintained in the school office or introduction of the parent pay system.

#### Agreed Action 3.1

A review of the process will be undertaken within the timescale quoted.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

31 May 2016

## 4 Sickness Self Certification

### Issue/Control Weakness

Self-certification forms are not completed for all instances of absence.

### Risk

Failure to comply with the Council's Attendance Management Policy.

### Findings

For a sample of staff who had recently had a short period of sickness absence it was found in a number of cases that a self certification form had not been completed.

### Recommendation

On the first day of their return to work, all members of staff must be asked to sign a copy of the Council's self-certification form for any period of absence which has not been covered by a doctor's certificate. Every period of absence will be followed up by a return to work interview with the line manager/supervisor, usually on the first day of the employee's return to work and this should be evidenced on the certificate.

### Agreed Action 4.1

All self-certification forms and return to work interviews will be fully completed going forward.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

Immediate

## 5 Lettings / Extended Schools

### Issue/Control Weakness

The current contract with the playgroup had not been signed and the agreement with the providers of the before and after school club may not be current.

### Risk

Terms and conditions may not be clear in the event of a dispute and the school could incur a financial or reputational loss.

### Findings

York Childcare provide before and after school provision and a holiday club under an agreement with the school. This has been in place for a number of years. A copy of the agreement was not available at the audit but it is understood that this agreement has not been reviewed. The agreement with the playgroup had been reviewed and a revised contract was in place. This contract had not however been signed.

### Recommendation

The agreement with York Childcare should be reviewed to ensure it is up-to-date and reflects current requirements. A signed copy of this agreement and the contract with the playgroup should be held at the school.

### Agreed Action 5.1

The agreements will be reviewed and signed copies obtained by the end of April 2016.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

30 April 2016



## 6 School Fund

### Issue/Control Weakness

The school fund has not been registered with the Charity Commission. Annual audited accounts have not been presented to the Governors.

### Risk

Failure to comply with the requirements of the Scheme for Financing Schools.

### Findings

The income received through the school fund for the year ending 31/3/15 was in the region of 11K. If the level of income is in excess of £5k the Council requires that the school fund is registered with the charity Commission. It was noted however that a high proportion of the income relates to contributions towards educational visits, swimming lessons and clubs that are transferred to the BAFS account. The school fund is used due to convenience of banking. The audited accounts to 31/3/15 had just been received at the school at the time of the visit. However no evidence of the presentation of audited accounts for the accounts to 31/3/13 and 31/3/14 could be found from the review of committee minutes.

### Recommendation

The school should ensure the school fund has an annual audit certificate and that the audited accounts and a report of the operation of the fund is presented to Governors.

It is best practice that income should be paid directly into the account that incurs the related expenditure and it is suggested that the use of the school fund for collection of income that could be accounted for through the BAFS account is reviewed. If annual income into the account is likely to remain in excess of £5k the school should register the fund with the Charity Commission.

### Agreed Action 6.1

The latest schools fund accounts will be presented to the Resources Committee at their next meeting.

The usage of the school fund will be reviewed to establish whether it is appropriate to continue with the practice of placing contributions to visits etc to that account in which case it will be registered with the Charities Commission within the timescale quoted.

**Priority**

3

**Responsible Officer**

School Business Manager

**Timescale**

31 July 2016

## 7 Publication Scheme

### Issue/Control Weakness

The adopted publication scheme and guide to information is not on the school's website

### Risk

Failure to publicise the scheme as required by the Information Commissioner.

### Findings

The school has adopted the current publication scheme and associated guide to information. However this document is not held on the school website. The Information Commissioner specifies that the model publication scheme, the guide to information and a large part of the information covered by the scheme should be available on the website.

### Recommendation

The model publication scheme, the guide to information should be made available on the school's website.

### Agreed Action 7.1

The information will be published on the school website shortly.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

28 February 2016

## 8 Inventories

### Issue/Control Weakness

The school had a new inventory record in place. Some inventory items had been disposed of prior to the record being compiled but the disposal details and authorisation had not been recorded.

### Risk

Assets may be unaccounted for and unauthorised disposals may occur.

### Findings

A new inventory record has been compiled by the School Business Manager and verified by the Headteacher. The auditor was informed that some items had been disposed of prior to the inventory record being in place. no record of disposals had been maintained.

### Recommendation

The school should ensure that all disposals of inventory items are recorded and authorised and the disposal record retained at the school.

### Agreed Action 8.1

This has been noted and a disposal record will be maintained.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

30 April 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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