

Poppleton Road Primary School

City of York Council

Internal Audit Report 2014/15

Business Unit: Primary Schools,
Headteacher: D Glover
Date Issued: 01/10/14
Status: Final
Reference: 15632/002

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

Summary and Overall Conclusions

Introduction

This audit was carried out on Monday 30th June and Tuesday 1st July 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 16th June 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;
- Security; and
- Safeguarding Arrangements.

Key Findings

The key findings in the audit relate to ensuring that the approved publication scheme for the school includes the associated guide to information available and is made available to parents and ensuring that no personal data is being held on unencrypted portable storage devices.

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**.

1	Issue/ Control Weakness	Risk
	For some income collected an incorrect VAT code has been used.	HM Revenue & Customs may penalise the school for failing to account for VAT correctly.

Findings
Income collected as pupils contributions for classes run by private providers has been VAT coded as exempt supply (code 2) but is outside scope (code 1).

Recommendation
It is recommended that the school contact the Councils VAT officer to establish whether an adjustment is required to correct VAT errors.

1.1 Agreed Action

The Bursar has contacted XXXXXXXXXXXXXXXX at City of York Council and he is happy that no adjustment to VAT is required. The school no longer collects any payments for private providers as these are now dealt with by the provider.

Priority	3
Responsible Officer	Bursar
Timescale	Complete

Area Reviewed: Schedule of Charges

Severity
Probability



2 Issue/ Control Weakness

Risk

The scale of charges at the school has not been subject to annual review.

Income generated by services such as lettings, may not cover the costs incurred.

Findings

The school has a scale of charges but it has not been reviewed for since September 2011. It was noted however that at the time of the audit the school did not have any regular lettings.

Recommendation

The Governing Body should review the school's scale of charges on an annual basis.

2.1 Agreed Action

The scale of charges has been reviewed at the Governors meeting on 23rd September 2014 and the increased charges added to the lettings policy.

Priority

3

Responsible Officer

Chair of Governors

Timescale

23 September 2014

Area Reviewed: Publication Scheme

Severity
Probability



3 Issue/ Control Weakness

Risk

The information commissioners model publication scheme approved by the Governors did not appear to include the associated guide to information available from the school (which details the information available, 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 minutes of the Full Governing Body 21st May 2014 approved the Information model publication scheme. The completed associated guide to information did not appear to be part of this approved document.

Recommendation

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

3.1 Agreed Action

An associated guide to information available has now been added to the schools model publication scheme and this was taken to Governors on 23rd September 2014.

Priority

3

Responsible Officer

Chair of Governors

Timescale

23 September 2014

4 Issue/ Control Weakness Risk

The school may be holding unencrypted personal data on data storage devices which may be vulnerable to being lost or stolen. Statutory requirements may be breached. The ICO has powers to levy fines of up to £500,000 for the most serious breaches of the data protection act.

Findings

Assurances were given that school has encrypted data sticks which must be used to hold any personal data which may be taken off site. However personal data could also be downloaded onto laptops which are unencrypted and may be vulnerable to being lost or stolen.

Recommendation

Personal data should not be held on any unencrypted storage media (including laptops).The school should ensure that all laptops, and any other data storage devices that may be used to hold personal data are encrypted.

4.1 Agreed Action

We have a rigorous policy on passwords and regularly change them on any laptops however no personal data is held on school laptops. We have encrypted data sticks for any instances where personal data is downloaded.

Priority	2
Responsible Officer	Headteacher
Timescale	No Action Required

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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