

Acomb Primary School
City of York Council
Internal Audit Report 2013/14

Business Unit: Primary Schools,
Headteacher: L Haynes
Date Issued: 5/02/14
Status: Final
Reference: 15600/002

	P3	P2	P1
Findings	4	1	0
Overall Audit Opinion	High Assurance		

Summary and Overall Conclusions

Introduction

This audit was carried out on Wednesday 6th November and Thursday 7th November 2013 as part of the Internal Audit plan for Adults, Children and Education for 2013/14.

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 September 2013:

- 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

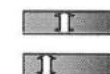
The key findings in the audit related to ensuring all governors complete a signed declaration of Interest and that a register of interests is also maintained for staff with financial responsibilities, evidencing that contracts at the school are regularly reviewed, are current and provide best value for the school, ensuring that no personal data is being held on unencrypted portable storage devices and ensuring that
XXXXXXXXXXXXXXXXXXXXXXX.

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: Register of Interests

Severity
Probability



1	Issue/ Control Weakness	Risk
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Declarations of interests (pecuniary or otherwise) were not in place at the school for some governors and for all staff with financial responsibilities. Governors and members of staff with financial responsibilities may be in a position to influence the placing of contracts in which they have a personal interest and must therefore ensure that all significant interests are declared.

The school may be unable to fully account for purchasing decisions in the event of challenge.

Findings

The register of interests for governors was being updated at the time of the audit therefore the previous register was reviewed. It was noted that the previous register at the school was incomplete ie a declaration was not in place for every governor at the school during the year. Additionally it was noted that the register of interests had not been extended to include staff with financial responsibilities.

Recommendation

A signed declaration for the register of interests should be in place for all governors including any new governors arriving after the annual renewal date. The school should also ensure that all staff with financial responsibilities, in particular those who can sign orders and influence purchasing decisions, sign a declaration of interests on an annual basis.

1.1 Agreed Action

The recommendation will be actioned.

Priority

3

Responsible Officer

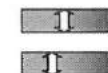
Clerk to Governors

Timescale

31 January 2014

Area Reviewed: School Contracts

Severity
Probability



2 Issue/ Control Weakness

Risk

There is no evidence that all service contracts at the school are periodically reviewed.

The school may fail to obtain best value on school service contracts.

Findings

A central record of all service contracts at the school is not currently in place and there was no evidence to confirm that contracts are periodically reviewed to ensure they meet current requirements, have been correctly costed (for budget purposes) and are programmed for re- tender where applicable.

It is understood that the School Finance Manager is intending to compile a record of contract details including the value and expiry date.

Recommendation

It is recommended that a central schedule of current contracts is completed and contract review at the school is evidenced through review of this record.

2.1 Agreed Action

The recommendation will be actioned.

Priority

3

Responsible Officer

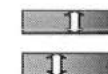
School Business Manager

Timescale

31 March 2014

Area Reviewed: Data Security

Severity
Probability



3 Issue/ Control Weakness

Risk

The school may be holding unencrypted personal data on data sticks.

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

Assurance was given that personal data is not stored on lap tops. However, personal data may be downloaded onto other storage media such as data sticks which may be vulnerable to being lost or stolen. These data sticks may not be encrypted.

Recommendation

The school should ensure any data sticks that may be used are encrypted and that staff are aware that personal data should not be held on any unencrypted storage media.

3.1 Agreed Action

The recommendation will be actioned.

Priority

2

Responsible Officer

Headteacher

Timescale

28 February 2014

Severity 

Probability 

4	Issue/ Control Weakness	Risk
	XXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX.	XXX XXXXXXXXXXXXXXXXXXXX.

[illegible]

The recommendation will be actioned.

Priority	3
Responsible Officer	Headteacher
Timescale	31 March 2014

Area Reviewed: Schools Financial Value Standard (SFVS)

Severity
Probability

II

II

5 Issue/ Control Weakness

Risk

The SFVS was not minuted as formally signed off by the Full Governing Body. It was also noted that the SFVS had not been submitted by the due date.

Failure to comply with DfE requirements

Findings

Completion of the SFVS had been delegated to the Finance & Staffing Committee. Discussion and submission to the Full governing Body for approval had been minuted in the Finance and Staffing Committee minutes for 23/4/13. The SFVS had been signed by the Chair of Governors on the same day and submitted to the LA after the due date of 31/3/13. It was noted that the SFVS was not minuted as formally approved by the Full Governing Body (although assurance was given that approval had been given).

Recommendation

The SFVS can be completed at any point in the year and therefore completion should be planned to allow approval before the due date. Formal approval should be clearly minuted by the Full Governing Body.

5.1 Agreed Action

The recommendation will be actioned.

Priority

3

Responsible Officer

School Business Manager

Timescale

31 January 2014

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.

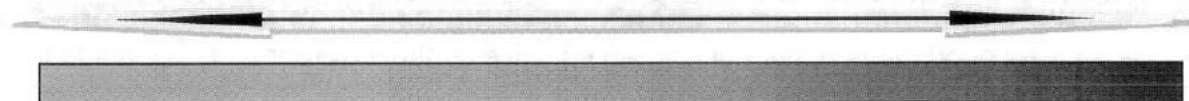
Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is 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.

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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