

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
MUNICIPAL YEAR 2017/18

COMMITTEE:

AUDIT COMMITTEE

27th November 2017

Item No. 6
Finalised Audit Assignments

REPORT OF:-

GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

Author: Marc Crumbie (Temporary Head of Internal Audit & Procurement

Development Programmes)

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1. PURPOSE OF THE REPORT

This report provides Members with a summary of audit assignments completed between 4th October and 14th November 2017.

2. RECOMMENDATIONS

It is recommended that Members review the information contained within the report and:

2.1 Seek clarity and explanation where there are areas of concern.

2.2 Identify further action to be taken where deemed necessary.

3. AUDIT COMMITTEE TERMS OF REFERENCE

3.1 The Audit Committee Terms of Reference (Point C) requires it to '*Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs, and providing the opportunity for direct discussion with the auditor(s) on these*'.

3.2 In line with this requirement Appendix 1 provides a summary of the audit assignments completed between 4th October and 14th November 2017. Members will note that the summary provides for each assignment the Introduction, Scope & Objectives, Auditor's stated opinion along with a summary of all recommendations made for each audit review completed to final report stage within the stated period. In addition, in line with the request of Audit Committee at its meeting on 16th October 2017, 'implementation date' information has been included for each recommendation reported.

3.3 To help ensure Audit Committee effectively discharges the responsibility as set out in its Terms of Reference (and replicated at point 3.1 above), Members may wish to consider the principles noted below in addition to their own lines of enquiry:

- Is the overall conclusion made by Internal Audit for each audit assignment reasonable / backed up by the findings reported?
- Are the recommendations made by Internal Audit likely to support the necessary improvement in internal control?

3.4 Members will note that 10 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

<u>Audit Assignment</u>	<u>Overall Conclusion</u>
ABERDARE TOWN CHURCH IN WALES PRIMARY	Effective with an opportunity for improvement
BODRINGALLT PRIMARY SCHOOL	Effective
GLENBOI PRIMARY	Effective with an opportunity for improvement
GWAUNMEISGYN PRIMARY	Effective with an opportunity for improvement
PARK LANE SPECIAL SCHOOL	Effective with an opportunity for improvement
PENRHYS PRIMARY	Effective with an opportunity for improvement
TRALLWNG INFANTS	Effective with an opportunity for improvement
TREF-Y-RHYG PRIMARY	Effective with an opportunity for improvement
Y PANT COMPREHENSIVE SCHOOL	Insufficient and requires improvement
YSGOL HEN FELIN	Effective with an opportunity for improvement

4. SUMMARY

4.1 The regular provision of all summarised audit assignments to Audit Committee throughout the year is aimed at assisting Members in evaluating the effectiveness of Internal Audit work across all Council systems and services.

4.2 In doing so, it enables Members to form an opinion on the overall control environment of the Council at the end of the financial year.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE ACCESS TO INFORMATION ACT, 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

AUDIT COMMITTEE

27th November 2017

Report of the Group Director, Corporate & Frontline Services

Author: Marc Crumbie (Temporary Head of Internal Audit & Procurement Development Programmes)

Item

6. Finalised Audit Assignments

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APPENDIX 1 – FINALISED AUDIT ASSIGNMENTS

EDUCATION & LIFELONG LEARNING

AUDIT NAME: ABERDARE TOWN CHURCH IN WALES PRIMARY

DATE FINAL REPORT WAS ISSUED: 11/10/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Aberdare Town Church in Wales Primary was last subject to an Internal Audit Review in April 2013 and this is the third cyclical visit made to the School to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for chequebook primary schools comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during the financial year 2017/18.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirement of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that the School's budget has been approved by the Governing Body and to ensure that the budget set by the School complies with the 'Fair Funding : Scheme for Financing Schools', is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the School's IT equipment are restricted, that computer hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.
- To review the Governance arrangements in place at the School.

AUDIT OPINION

Overall, the control environment in respect of the School's financial and governance arrangements is considered to be effective with opportunity for improvement.

Safeguarding & Educational Visits

The School has a Child Protection Policy in place. It was reviewed and ratified by the Governing Body at the meeting held on 6th March 2017. It is due to be reviewed during the same period annually.

Level 1 training must be provided by the Council's Safeguarding Team once every 3 years, with refresher training being delivered annually by the members of the School's SLT (who are Level 3 trained). Whilst annual refresher training has been delivered at the School, training had not been delivered by the Council's Safeguarding Team since 2012. When this was communicated during the review, the Headteacher arranged a training session for all staff and it has now been delivered.

Certificates were present at the School for training undertaken since the current Headteacher's appointment in 2015. The Headteacher also maintains a detailed record of staff training, what training has been received and when it is due to be renewed.

A record of DBS checks was in place and is up to date. The School used the Evolve system to document and authorise all planned trips; however, it was found that two trips were not authorised by the Headteacher in accordance with the Guidelines and in one instance this was 3 months after the trip.

The School pay a drama tutor via a cheque; the School did not complete the HMRC online check to confirm the employment status of the individual.

Governance

Overall the School's governance process was satisfactory. Review of statutory policies and documents provided revealed all but one was present. The Staff Disciplinary Policy has not been updated since 2013 but is now scheduled to be reviewed and presented to Governing Body in the autumn term 2017.

Many of the policies and documents viewed had been signed and dated 18.10.2016 (date of Governing Body meeting) but it was not possible to confirm that these Policies had been presented to and ratified by the Governing Body as it was not recorded in the meeting minutes. There were signed copies of all meeting minutes present at the School.

A Register of Business Interests is in place and all current Governors have completed the necessary declarations which were all present.

Whilst the Headteacher indicated a delegated spend limit of £5k, it was not possible to confirm this from review of the Governing Body minutes.

Purchase Card

There was a sufficient audit trail in respect of Purchase Card transactions. Records are kept up to date and were evidently reconciled upon receipt of the bank statements.

Implementation of the recommendations contained within this report will enhance the control environment further.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>A circular was issued to all Schools from the Temporary Director of Education and Lifelong Learning on 17th November 2015 and more recently on the 8th May 2017 regarding employment status, around how to identify an entity as either an employee or self-employed. Following the completion of a questionnaire on the HMRC website, should the entity be regarded as an employee, then the entity should be paid via the Council's payroll system.</p> <p>Examination of the records at the School revealed that payments were made by cheque to a drama tutor totalling approximately £5,500.00 in the 2016-17 financial year.</p> <p>Discussions at the School identified that they did not complete the HMRC questionnaire in respect of this drama tutor. A Self Assessment Tax Return had been provided to the School by the tutor and this was assumed to be adequate.</p>	<p>Before a School engages with an entity for the provision of services, the HMRC employment status check should be undertaken for all individuals using the HMRC Employment Status Indicator (ESI) tool.</p>	Implemented
5.1.2 Medium	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</i>.</p> <p>The School were unaware of the requirement that refresher training from the Council was required every 3 years; it is however accepted that refresher sessions were provided each year during inset days as</p>	<p>The Head teacher should ensure that safeguarding refresher training (delivered by the Council) is completed as required.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>this was considered sufficient.</p> <p>At the time of the audit Level 1 Training (delivered by the Council) was arranged for the whole School on 7th June 2017.</p>		
<p>5.1.3</p> <p>Medium</p>	<p>Table 1 of the 'Planning and Approval of Educational Visits 2013/14' guidelines advises that where visits are residential, abroad or involve demanding environments and/or adventurous activities, they must be 'planned and approved using the Evolve system at least 28 days before the visit'.</p> <p>A review of a sample of trips on EVOLVE revealed the following two trips were not recorded and approved 28 days prior to the date of the visit:</p> <p><u>Danywenalt March 2016</u> Date of Trip: 7th to 9th March 2016 Trip Form completed: 29.2.2016 Submitted: 29.2.2016 Approved by Head: 8.6.2016</p> <p><u>Manor Adventure November 2015</u> Date of Trip: 9th to 11th November 2015 Trip Form completed: 3.11.2015 Submitted: 3.11.2015 Approved by Head: 3.11.2015</p>	<p>The School should remind all staff that trip information should be collated on a timely basis to allow the EVC to approve the trip and submit to the Local Authority for approval within the procedure timescales.</p>	<p>Implemented</p>
<p>5.2.1</p> <p>High</p>	<p>Review of the statutory policies / documents present at the School identified one (Governors Allowances) was not present on the policy file. However, there is mention of discussing this policy noted in the</p>	<p>The Headteacher and Governing Body should ensure that they implement a rolling programme of review of all School policies.</p>	<p>Implemented</p>

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>minutes of meeting of the 18th October 2016 (agenda item 9.3).</p> <p>During the review, it was sometimes difficult to identify when policies were reviewed, when they were due to be reviewed and ratified / presented to Governing Body due to the lack of information or detail which could be included on the policy document cover. It was also on occasions difficult to identify this from the meeting minutes and the Headteacher stated that sometimes these items are not included in the minutes.</p>	<p>This will ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	
5.2.2 High	<p>Although the Headteacher indicated that all expenditure in excess of £5k is discussed and agreed with the Governing Body, a delegated limit had not been formally recorded by the Governing Body.</p>	<p>The Governing Body should confirm a scheme of delegation and formally record the financial limits for delegated authority within the Governing Body minutes to ensure that a permanent record of the limits and authorised staff is available at the School.</p>	Implemented

AUDIT NAME: BODRINGALLT PRIMARY SCHOOL

DATE FINAL REPORT WAS ISSUED: 12/10/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a School's financial and governance arrangements. The process requires Primary Schools to complete a self-evaluation checklist against expected controls.

Bodringallt Primary School was last subject to an Internal Audit Review in March 2014 and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for chequebook primary schools comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial year 2016/17 and 2017/18.

The objectives of the review were:

- To review the governance arrangements in place at the School.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that the School's budget has been approved by the Governing Body and to ensure that the budget set by the school complies with the 'Fair Funding : Scheme for Financing Schools, is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.

AUDIT OPINION

Overall, the control environment at Bodringallt Primary School is considered effective.

Governance

The Structure and Constitution of the Governing Body and Sub Committees has been established and is reviewed and approved annually during each autumn term meeting.

The Governing Body agreed a financial limit for delegated authority of £1,000.00 during the Summer 2017 meeting. All financial information provided to Governors is extracted from SIMS.

Minutes are loose-leaf pages and all are initialled by the Chair of Governors.

Each Governing Body member had completed a declaration of business interests.

Whilst all statutory policies and documents were in place, 1 had not been reviewed annually as required, and there was no evidence of 4 being agreed by the Governing Body.

Safeguarding

The School has a Child Protection Policy which is reviewed annually. All staff had signed to demonstrate that they have read and understood the Policy.

There are 3 members of staff named as responsible for Safeguarding, as well as 2 Governors. Level 1 training was last provided to all staff in October 2016; however 1 new member of staff who commenced in post in June 2017 has not yet received training. In addition, whilst all 3 designated members of staff have received Level 3 training, only 1 certificate was present at the school, which had expired.

There was a DBS record at the school; however new members of staff had not yet been updated (Note: all staff working at the School had a DBS check in place).

All educational visits are appropriately recorded and approved on Evolve.

School Private Fund

An appropriate Management Committee has been established. The Annual Certificate and Summary of Accounts for academic year 2016/17 was completed and submitted to Education Finance.

The income examined as a sample was appropriately recorded and banked, and all records were reconcilable. The School Clerk maintains an electronic ledger, which is printed monthly upon receipt of the bank statement for reconciliation purposes.

All expenditure examined was in line with the School Private Fund regulations and corresponding receipts had been retained.

Purchase Card

There is 1 purchase card in use and a transaction log maintained to record all purchases made, which is reconciled to the bank statements monthly. The card is used by other members of staff at the School (for School purposes) and there is a signing in / out sheet in place to document these instances.

Receipts were present to support all transactions examined as a sample; however there was no VAT receipt to support 9 of the purchases where VAT was reclaimed. No delays were identified in undertaking cashbook journals on SIMS.

School Meals

The income examined as a sample was appropriately recorded and banked. Prior to banking, all income is held securely. The Headteacher provides an independent review of school meal income.

There are appropriate processes in place for ensuring that the correct number of meals have been served on a daily basis and to pursue any outstanding school meal income.

Free school meals authorisations were present for each of the 20 pupils selected as a sample.

Budgetary Control

The budget agreed by Governors was appropriately set on SIMS and the previous year's underspend was confirmed by letter from Education Finance. Virements are recorded and authorised by the Headteacher.

The Headteacher and School Clerk review the School's budget on a weekly basis. The income examined as a sample had been appropriately recorded and banked, with no delays in banking or updating SIMS. The bank reconciliation is prepared by the School Clerk and then reviewed and signed by the Headteacher.

Data Security

The School is registered with the Information Commissioner's Office. Back ups are undertaken by the Council. The School has an Inventory which is up-to-date and reviewed at the beginning of each academic year. All I.T equipment had been marked with the School's post code. Occasionally, equipment such as iPads, laptops are taken off-site, for which there is a record to document the details of removal and return.

Implementing the recommendations in the report will further improve the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>Whilst all statutory policies and documents were in place at the School, it was noted that 1 had not been reviewed annually as per the Governors Wales requirements i.e. Assessment Arrangements (last reviewed 2015).</p> <p>In addition, whilst the Performance Management Policy and Pay Policy were reviewed within the last year, the review dates detailed on the front of the policies were 2018 and 2020 respectively.</p> <p>There was no evidence in the Governing Body minutes for the past 3 years that the following policies have been discussed and ratified:</p> <ul style="list-style-type: none"> • Complaints Procedure • SEN Policy • Assessment arrangements • School prospectus 	<p>The Headteacher and Governing Body should ensure that they implement a rolling programme for review of all School policies. This will ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	23 November 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.2.1 Medium	<p>Point 6.32 of the Keeping Learners Safe Guide states: <i>'Schools may ask supply teachers to produce their copy of the enhanced disclosure to provide assurance that the check has been made, and may ask agencies to confirm the validity of the document. Schools and FE colleges must record whether those checks have been carried out on the single central record'</i>.</p> <p>Each member of staff received DBS clearance prior to commencing in post and there was a record at the School of staff DBS details; however it had not been updated with 2 new members of staff.</p> <p>In addition, DBS details had not been retained / documented for the supply teachers who attend the School.</p>	<p>The School's DBS record should be kept up-to-date as and when there are staff changes.</p> <p>DBS details should also be maintained for any supply staff who attend the school.</p>	Implemented
5.2.2 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies should....ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</i></p> <p>Level 1 training was last provided to all staff on 7th October 2016 and an attendance list was retained at the School to confirm staff attendance. However, it was noted that a new member of staff commenced in post in June 2017 had not yet received Safeguarding training and there was no evidence to demonstrate that both designated Governors have attended training.</p>	<p>The Headteacher should ensure that new members of staff receive safeguarding training as soon as possible after their start date.</p> <p>Each designated member of staff responsible for safeguarding should be trained to Level 3 (updated every 2 years) and certificates should be retained at the School.</p> <p>It should also be ensured that there is evidence at the School to demonstrate that the designated Governing Body members have also received safeguarding training.</p>	31 January 2018

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Additionally, whilst each designated safeguarding officer has received Level 3 training, only 1 certificate was present at the School, which had expired on 23rd September 2017.</p>		
<p>5.3.1 Medium</p>	<p><u>Purchase Card (School Budget Account)</u></p> <p>Receipts were present to support each of the 27 transactions examined as a sample. However, there were no appropriate VAT receipts to support the following purchases, where VAT was reclaimed:</p> <ul style="list-style-type: none"> • 3rd May 2017 - Amazon Marketplace - £28.88 • 9th May 2017 - Amazon Marketplace - £65.94 • 7th June 2017 - Tenpin.co.uk - £183.78 • 30th June 2017 - Amazon Marketplace - £4.29 • 4th July 2017 - Amazon Marketplace - £35.00 • 18th July 2017 - Wedding services Wales - £30.00 • 18th July 2017 - The Crispy Cod - £32.89 • 18th July 2017 - Amazon.co.uk - £59.98 • 19th July 2017 - Amazon.co.uk - £22.95 	<p>Every effort should be made to obtain an appropriate VAT receipt to accompany all purchases where VAT is to be reclaimed. An appropriate VAT receipt should include:</p> <ul style="list-style-type: none"> • Details of the sale including the tax date; • The suppliers VAT registration number; • The amount paid for the goods or services; and • The amount of VAT that the supplier has charged to you. <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p>	<p>Implemented</p>

AUDIT NAME: GLENBOI PRIMARY

DATE FINAL REPORT WAS ISSUED: 13/10/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a School's financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Glenboi Primary School was last subject to an Internal Audit Review in July 2013 and this is the third cyclical visit made to the School.

SCOPE & OBJECTIVES

The checklist for non-chequebook primary schools comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during financial year 2016/17 and 2017/18.

The objectives of the review were:

- To review the governance arrangements in place at the School.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2014 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the School's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.

AUDIT OPINION

Overall, the control environment in respect of the School's financial and governance arrangements is considered to be effective with opportunity for improvement.

Governance

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and membership is reviewed and agreed annually. All Governing Body minutes examined were appropriately signed by the Chair of Governors; however, Governing Body attendance sheets are presently not

held at the School. This report recommends that attendance sheets for all Governing Body meetings be retained at School.

A complete Register of Business Interests is in place at the School and is updated annually.

All statutory policies and recommended documents are in place at the School and all have been endorsed by the Governing Body. However, no evidence was available to confirm that the Governing Body has ratified the delegated financial limits in place of relevant staff at the School.

Safeguarding & Educational Visits

The School have a Safeguarding and Child Protection Policy, which is reviewed annually. Testing identified that all staff received the appropriate clearances before commencing duties in their posts and all staff have received Safeguarding and Child Protection training (and there was documentary evidence at the School to support this).

School Private Fund

The School Private Fund is in need of improvement.

One of the fund Auditors is also a cheque signatory and is therefore not independent when undertaking the annual audit of the School Private Fund accounts.

However, of most significance is that there is no formal process for recording income received in respect of activities relating to the fund. The entries recorded on the Ledger for the current academic year do not correspond with any of the subsidiary records, and older records have been destroyed.

This report recommends that a Record of Daily Income be introduced to record all income received on a daily basis and that the format of the Private Fund Ledger be re-considered as assurance cannot be given that the Ledger currently in use at the School is being used effectively.

Furthermore, due to the location of the School to the bank, deposits with the bank are undertaken irregularly and not in accordance with the banking guidelines set by the Council. This report recommends that Management consider moving the School Private Fund Bank Account to Barclays Bank and if the account is opened under the RCT group of accounts, then the School can use the secure cash collection service from LOOMIS which would allow the School to make regular deposits with the bank.

Purchasing

Whilst most purchases are made using the Purchase Card, the School still places orders with some companies who will not accept the Purchase Card. Where these instances occur, the School Clerk will place an order either directly with the company on-line or via telephone. No official order is raised; therefore the School is unable to demonstrate that the Headteacher gave prior approval before placing an order. However, all invoices have been signed by the Headteacher.

In terms of items purchased using the School Purchase Card, there was a sufficient audit trail in respect of evidence being available that supports the expenditure; however, audit testing identified that the Transaction Log had not been updated with recent items of expenditure. This report recommends that the Transaction Log be updated following each Purchase Card purchase made.

Collections & Deposits

Free school meals are only provided to those for whom eligibility has been confirmed and retained.

Dinner money is updated to SIMS and banked regularly; however, the school meal income records are not regularly reviewed by an independent senior member of staff, i.e. The Headteacher.

Testing identified a combined total of £918.93 is owed to the School in respect of dinner money, with 19 pupils with arrears in excess of £24.00. Although it

was established that reminders are being sent to parents, none of these arrears have formally been referred to Catering Finance for further recovery action. This report recommends that, in accordance with Council protocol, details of the current arrears in excess of £24.00 should be submitted to Catering Finance immediately.

Equipment & Data Security

The School is registered with the Information Commissioner and a valid copy of the registration is held at the School. Information held on the system is backed up regularly and confidential data is kept securely.

The School inventory is not presently up to date and neither is the ICT equipment marked as property of the School.

Implementing the recommendations contained in the report will further enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	Discussions with the Headteacher established that since his appointment to post in September 2015, the Governing Body has not formally confirmed the financial limits of delegated authority for incurring expenditure and amending budgets. Further discussions identified that typically all spending over £5k is discussed with the Governing Body prior to committing the School to expenditure.	The Governing Body should confirm a scheme of delegation and formally record the financial limits for delegated authority within the Governing Body minutes to ensure that a permanent record of the limits and authorised staff is available at the School.	Implemented
5.1.2 Low	Governor attendance sheets were not evidenced during the audit fieldwork. Discussions at the School identified that they are retained by the School Governor Support Officer.	Attendance sheets for all Governing Body meetings must be retained at the School and held in a manner that makes them accessible.	Implemented
5.2.1 High	Although the School are using an electronic ledger which is in the correct format as included within the School Private Fund Regulations, Internal Audit were unable to reconcile the income entries against the bank paying in book and bank statements, as the amounts credited with the bank did not correspond with the amounts entered on the ledger.	Management should re-consider the use of the electronic ledger currently in place at the School as Internal Audit cannot provide assurance that the system is sufficiently robust. Instead, it is recommended that an A4 size	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Furthermore, apart from 2 very recent trips, all subsidiary records to support any income collected have been destroyed.</p> <p>NB. It is acknowledged that although the records retained in respect of the West Midlands trip and the Folly Farm trip were not in the required format, Internal Audit was able to establish that the income collected for both trips matched the subsequent expenditure for each.</p>	<p>cash book be purchased and introduced as a formal Private Fund Ledger.</p> <p>The level of information currently being recorded on the electronic ledger should be the same as the details recorded on the manual cash book ledger.</p> <p>The Private Fund Ledger should be completed on a regular basis (weekly) and summarise the income received and expenditure incurred each week.</p> <p>Furthermore, the School should also establish a standard trip procedure, with a suite of pro-formas to be used when organising and administering a trip, and care should be taken to ensure that the entries on the Record of Daily Income, the ledger and subsequent banking slip are correct and correspond.</p>	
<p>5.2.2</p> <p>High</p>	<p>Further to 5.2.1 there is no formal process for the collection of School Private Fund Income.</p> <p>Discussions with the School Clerk identified that income should be recorded onto the Ledger as soon as it is received. However, at the time of audit testing, there was an amount of £544.77 of unbanked income held at the School and no formal record of this amount had</p>	<p>In addition to the School Private Fund Ledger, a Record of Daily Income should be maintained by the Fund Treasurer. This record should be completed as and when School Private Fund income is received. It should be totalled and ruled off when the income is subsequently banked.</p>	<p>Implemented</p>

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>been made.</p> <p>There was also uncertainty as to what the money collected was for.</p>	<p>The date of banking should also be recorded.</p> <p>N.B. It is acknowledged that a Record of Daily income was introduced at the School during the audit visit.</p>	
<p>5.2.3</p> <p>Medium</p>	<p>Section 2.2 of the School Private Fund Regulations 2012 states that: <i>"two auditors must be appointed to audit the accounts. They need not necessarily be members of staff, and they must not hold one of the aforementioned posts i.e. Chairperson, Treasurer, Secretary or be a Cheque Signatory"</i>.</p> <p>1 of the Auditors of the Fund is also a named cheque signatory of the School Private Fund.</p>	<p>The School Private Fund Regulations require that two independent auditors be appointed to audit the account.</p> <p>To ensure that the Auditors are independent of the administration of the account, they should not be signatories to the account.</p>	<p>Implemented</p>
<p>5.2.4</p> <p>High</p>	<p>Examination of the bank statements for the current academic year established that monthly bank statements are not being received.</p> <p>It was also evident that a bank reconciliation of the account has not taken place since September 2016.</p>	<p>All transactions processed since September 2016 should be reconciled immediately and all future bank statements should be reconciled to the fund ledger upon receipt.</p> <p>The Bank Statements should be signed and dated by the Treasurer as confirmation of the reconciliation process being completed.</p>	<p>Implemented</p>
<p>5.2.5</p> <p>High</p>	<p>The records relating to the School Private Fund account for previous academic years have been destroyed.</p> <p>Discussions at the School revealed that the records were destroyed</p>	<p>The School is reminded that all records relating to the School Private Fund are prime financial documents and therefore must be kept for six full academic years, plus the current year of account.</p>	<p>Implemented</p>

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	following notification from the Education Accountant that the accounts had been examined and there were no issues to report.		
5.2.6 Medium	<p>The School Private Fund bank account is currently held with Lloyds Bank.</p> <p>The nearest Lloyds Bank to the School is in Aberdare.</p> <p>Audit testing identified that only 9 deposits have been made with the bank for the current academic year, and of the 9 deposits, all but 1 deposit had not been in line with the Council's Banking Guidelines.</p>	<p>Management should consider moving the School Private Fund Bank Account to Barclays Bank. If the account is opened under the RCT group of accounts, then the School can use the secure cash collection service from LOOMIS.</p> <p>This would allow the School to make regular deposits with the bank in a safe environment thus eliminating the risks associated with banking visits, and staff time in the office could be better utilised.</p> <p>If it is decided that the bank account will be changed, contact should be made with the Council's Bank Reconciliation Team based at Bronwydd to discuss this option further.</p>	Implemented
5.3.1 Medium	<p>Point 6.1 of the Cardholder Manual for Schools states: <i>'Each Purchasing Card transaction should be recorded on your transaction log as soon as the transaction is complete to ensure that no information is omitted.'</i></p> <p>The transaction log is not currently being updated as and when transactions occur.</p>	<p>In line with the Cardholder Manual, the transaction log should be updated as and when a purchase is made to ensure that the transactions listed on the log can be reconciled to the Barclaycard system.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.4.1 Medium	Although it was established that the main form of ordering at the School is using the Purchase Card, it was also established that when the Purchase Card cannot be used, the School will place an order directly with a company over the telephone; hence, no formal record of the order is retained at the School.	<p>The School should ensure that where the Purchase Card cannot be used, for any goods / services required, an official order is raised using the F111 order book.</p> <p>This will ensure that a certified copy of the order is held at the School which can be used to cross-reference a delivery check when the goods are received and assist with any discrepancies with the order.</p>	Implemented
5.5.1 Medium	No independent review of the Dinner Money records is currently being undertaken.	<p>A person independent of the process of collecting and recording dinner money received (i.e. Headteacher or a senior member of staff) should regularly review the central Dinner Money record (and subsidiary records) and cross-reference to the deposits made at the bank to ensure that these are complete and accurate and that all Dinner Money received has been deposited promptly.</p> <p>At the end of each week, the Authorised Banking Return should be signed to certify that the record is a true reflection of collections and deposits that have occurred.</p>	Implemented
5.5.2	A report taken from SIMS during the audit visit showed a combined total of £918.93 owed to the School in respect of dinner money.	Where arrears are in excess of the prescribed limits then as per recovery	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	It was noted that there are 19 pupils with arrears in excess of £24.00, with the highest individual balance being £81.05. These have not been referred to Catering Finance for recovery, as required.	<p>protocols, these should be formally referred to Catering Finance for further recovery action.</p> <p>Details of the current arrears should be submitted to Catering Finance immediately.</p>	
5.6.1 Medium	<p>The School's Inventory list is currently not up to date.</p> <p>Additionally, observations made during the audit visit also identified that ICT equipment is not marked up as property of the School.</p>	<p>A full inventory review of the School's assets should be completed immediately. Thereafter, an annual review should be carried out to ensure that the record is accurate and up-to-date.</p> <p>ICT equipment should be marked as property of the School.</p>	30 November 2017

AUDIT NAME: GWAUNMEISGYN PRIMARY

DATE FINAL REPORT WAS ISSUED: 13/10/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a School's financial and governance arrangements. The process requires Primary Schools to complete a self-evaluation checklist against expected controls.

Gwaunmeisgyn Primary School was last subject to an Internal Audit Review in October 2013 and this is the third cyclical visit made to the School to examine progress made under the self-evaluation process.

SCOPE & OBJECTIVES

The checklist for non-chequebook primary schools comprises of 105 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial year 2017/18.

The objectives of the review were;

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the School's I.T equipment are restricted, that computer hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.
- To review the governance arrangements in place at the School.

AUDIT OPINION

Overall, the control environment in respect of the School's financial and governance arrangements is considered to be effective with opportunity for improvement.

Safeguarding

The School has a Child Protection Policy in place which was last reviewed in March 2017 and presented to the Governing Body. Training undertaken in respect of safeguarding was evident with certificates present and a record of training (and when this was undertaken) maintained by the Headteacher. A record of DBS checks was in place; however, it was confirmed that the School's record was not accurate (Note: all staff working at the School had a DBS check). The School use the Evolve system to document and authorise all planned trips.

Governance

Most of the School's statutory and non-statutory Policies and documents had been reviewed during the present academic year with evidence available to confirm they had been presented to and ratified by the Governing Body. However, there are some non-statutory policies / documents that have yet to be presented to and ratified by the Governing Body. Whilst, overall, there is a process in place in respect of reviewing Policies, this was not always evident on the documents (i.e. date reviewed, signed off and ratified by the Governing Body) and some documents had been missed off the review process.

The Governing Body have not formally delegated financial limits of expenditure and virements to the Headteacher and other relevant members of staff.

Signed copies of meeting minutes were present at the School and a Register of Business Interests was in place with declarations present for all Governors.

School Private Fund

The School Private Fund ledger is updated retrospectively upon receipt of the monthly bank statements rather than being updated as and when transactions take place (or at least on a weekly basis). The ledger is therefore not up to date.

Expenditure transactions had an adequate audit trail, but fruit invoices/receipts are held separately and were not in any particular order. Also, the current completion of a separate receipt book is considered unnecessary given the controls in place at the School.

Income is currently banked on a monthly basis and although retained in a safe, the safe is not secured in place; as such, the monthly banking frequency is not considered sufficient. Due to the absence of one signatory, it is recommended that the School appoint an additional cheque signatory.

Purchase Card

There is 1 purchase card in operation at the School. Records are kept up to date and were evidently reconciled upon receipt of the bank statements. However, none of the transactions have been "authorised" on the Barclaycard system.

Implementing the recommendations contained in the report will further enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	Whilst, overall, a policy review process was evident it did not cover all documents and/or match with the required timescales. Documents indicated the Policy will be reviewed in 3 years when they should be reviewed annually - these include: <ul style="list-style-type: none"> • Admissions Policy; • Pay Policy; 	The Headteacher and Governing Body should ensure that they implement a rolling programme of review of all School policies. This will ensure that all policies are up to date and reflect the current practices at the School.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> • Performance Management; and • Target Setting. <p>Also, from a review of the policy documents, the dates of review and when they are due to be reviewed and presented to Governing Body were not always recorded on the front cover.</p>	<p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	
5.1.2 High	The Governing Body have not formally delegated any financial limits to any members of staff.	The Governing Body should establish the financial limits of delegated authority to the Head teacher and relevant staff, and this should be formally approved (and minuted) by the Governing Body.	Implemented
5.2.1 Medium	Review of the School Private Fund ledger revealed that it is completed, retrospectively, upon receipt of the bank statements (monthly).	The Private Fund ledger should be updated / completed at least on a weekly basis (and in doing so will summarise all income and expenditure received and incurred through the fund on a weekly basis). The ledger should then be used as part of the reconciliation process on receipt of the monthly bank statements.	Implemented
5.2.2 Low	The School are currently banking income on a monthly basis. Two members of staff are currently responsible for banking and both go to the bank for security. Consequently only one banking a month is undertaken. Whilst it is accepted that money is retained within the School safe (which, at the time of the audit was not securely held in place) monthly bankings are not considered sufficiently frequent.	Income received should be banked more frequently i.e. weekly and the safe should be secured in place.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.2.3 Low	Discussions at the School revealed that there are currently 3 cheque signatories. However, it was reported that one of the 3 is currently on maternity leave and therefore not available to sign cheques.	The School should consider adding a fourth cheque signatory to the School Private Fund account to cover the absence of one cheque signatory.	Implemented
5.2.4 Low	Review of the receipts and invoices present to support payments and purchases revealed that the clerk maintains a small receipt book which is used to record any purchases made by staff on behalf of the Private Fund. As these payments are also supported by the original receipts it is felt that this is an unnecessary task and the original receipts are sufficient. It was also noted that the School buy fruit, but the receipts and invoices (from provider) are retained separately from the other private fund documentation. Consequently, it was time consuming matching up the various receipts and amounts to the cheque issued for payment with the documents held separately.	The receipt book should be stopped as it is not necessary. The fruit receipts and invoices should be retained along with the other invoices and receipts (and the receipts/invoices cross referenced to the cheques issued).	Implemented
5.3.1 Medium	A review of the purchases made by the School revealed that none have been "authorised" on the Barclaycard system for this academic year. They have however been agreed as correct.	All purchases and payments made using the School's purchase card should be reviewed and authorised on the Barclaycard system.	Implemented
5.4.1 Low	A comparison between a list of staff maintained by the School and the Vision system identified the following; <ul style="list-style-type: none"> • 5 members of staff on the School's list but not on Vision; and • 5 members of staff on Vision but not on Schools list. 	The Headteacher should ensure that the School maintains an accurate and up to date list of all staff who currently work at the School (both temporary and permanent). When new staff start or existing staff leave the School, the Headteacher must ensure that Vision reflects these changes and Human Resources are informed.	31 December 2017

AUDIT NAME: PARK LANE SPECIAL SCHOOL

DATE FINAL REPORT WAS ISSUED: 25/10/2017

INTRODUCTION

Park Lane is one of four Special Schools in Rhondda Cynon Taf. It caters for pupils with a wide range of learning difficulties.

To advance the education of the pupils, the School provide educational and recreational facilities with the aim of furthering the educational and enhancing life skills required in the life of the pupils.

Park Lane Special School was previously subject to an Internal Audit review in October 2014.

SCOPE & OBJECTIVES

In accordance with the Internal Audit plan for financial year 2017/18, agreed by Audit Committee, a review of Park Lane Special School was undertaken.

Audit testing was carried out on a sample of transactions made during 2016/17 and 2017/18, to ensure that fundamental controls are present and operating satisfactorily.

The objectives of the review were:

- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To review the governance arrangements in place at the School.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the School's I.T. equipment are restricted, that computer hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.

AUDIT OPINION

The overall control environment in respect of the School's financial and governance arrangements is considered to be effective with opportunity for improvement.

Safeguarding

The School have a Safeguarding and Child Protection Policy which is regularly reviewed and updated. Overall there is good administration of Educational Trips, with the appointed EVC authorising all trips before they take place.

A record is held at the School of staff who have been DBS checked. It was identified that one member of staff was not on the School list. Additionally, the School could not produce evidence of the music tutors DBS check.

All staff at the School had received minimum Level 1 Safeguarding training in September 2016.

Governance

The roles and responsibilities of the Governing Body and its Sub-Committees have been set out. The Governing Body currently has no vacancies. It was found that the Governing Body minutes had been signed and dated by the Chair of Governors. Although a Register of Business Interests is in place at the School, and updated annually, no declaration was present for 1 recently appointed Governor. It was also noted that Governing Body meeting attendance sheets are held centrally by the Governor Support Service and not available at the School.

All but one of the statutory policies and documents are in place, with each having been signed by the Chair of Governors. Overall, the processes in place in respect of Policy review and sign-off can be strengthened.

No evidence could be provided in respect of the Governing Body approving delegated financial spending limits for staff at the School, which should be included when the School formulate a Financial Procedures document.

Purchasing

The School currently raise orders either over the telephone or online. Whilst the School have an Official Order Book, this is rarely used. As a consequence, there is no official ordering system in place and orders are not formally authorised by the Headteacher.

Purchase Card

There is one purchase card in use. The card is used frequently and there were receipts / confirmation present for each transaction examined during the sample period. It was however noted that whilst the Office Manager makes the purchases using the card, she is also authorising the payments on the Purchase Card system using the previous Headteacher's details. As a result, purchases could be made that are not appropriate.

School Private Fund

Overall, whilst the School Private Fund is administered in line with the School Private Fund regulations, it was noted that an auditor for the account is a relative of the Headteacher (Chairperson of the Fund) and as such is not considered to be sufficiently independent. Also, whilst bank statements show evidence of reconciliation by the Headteacher, they are not dated to confirm when this process took place.

Collections & Deposits - School Meals

It was established that whilst all income is collected and banked by the Office Manager, there is no receipting process or supporting verification by a secondary person that the income collected is correct. The audit confirmed that all pupils that receive free meals are entitled to do so.

Data Security & Inventory

The School have recently undertaken a full inventory review. However, it was established that I.T. equipment is not marked as property of the School. Implementing the recommendations contained in the report will enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>Whilst the School has a list that records staff names and their DBS details, it did not include one current member of staff. (NOTE: This individual received a DBS clearance prior to starting at the School).</p> <p>Additionally, it was identified that the School uses a music tutor, but evidence of the tutors DBS details were not present.</p>	<p>The Headteacher should ensure that the School maintains an up to date list / record of all staff that work at the School both permanently and temporary i.e. music tutors. This should detail their names, DBS reference number and the date of check.</p>	Implemented
5.2.1 High	<p>The Headteacher indicated that a Policy review process is in place at the School. This review has identified that it needs to be improved:</p> <ul style="list-style-type: none"> • 2 statutory Policies had not been reviewed annually as required: - <ul style="list-style-type: none"> o Admissions Policy – last reviewed 23/3/2016; and o Staff Disciplinary Policy – last reviewed September 2013. • 1 statutory document was not in place: – <ul style="list-style-type: none"> o Governors Allowances (Schemes of Payment). • 6 non-statutory (but recommended) documents were not in place: – <ul style="list-style-type: none"> o Premises Management Policy; o School Toilet Policy; o School Uniform Policy; o Sustainable Development; o Whole-School Food and Fitness Policy; and o Governor Development Plan. • 2 statutory policies/documents were not dated to confirm when they were last reviewed: – <ul style="list-style-type: none"> o Data Protection Policy; and o Accessibility Plan. <p>It could not be evidenced if 5 statutory policies/documents had been ratified and minuted by the Governing Body. These were: -</p> <ul style="list-style-type: none"> • Admissions Policy; 	<p>The Head teacher and Governing Body should ensure that they implement a rolling programme of review of all School policies. This will ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	30 November 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> • Data Protection Policy; • Staff Disciplinary Policy; • Accessibility Plan; and • Instrument of Government. 		
5.2.2 Low	<p>Governor attendance sheets were not evidenced during the Audit fieldwork.</p> <p>Discussions at the School identified that they are retained by the School Governor Support Officer.</p>	Attendance sheets for all Sub-Committee meetings must be retained at the School and held in a manner that makes them accessible.	Implemented
5.2.3 Low	<p>Section 2.9 of the Scheme for Financing Schools states that:</p> <p>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</p> <p>Although a register has been established, no declaration was present for one Governor.</p> <p>It is acknowledged that the Governor had recently been appointed, and at the time of the fieldwork had not attended a meeting.</p>	A declaration should be completed immediately in respect of the Governor identified.	Implemented
5.3.1 High	<p>The School does not have a Financial Procedures document.</p> <p>Additionally, it was not possible to establish the delegated financial</p>	A Financial Procedures document should be introduced at the School. This needs to include reference to the delegated financial	30 November 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	limits of the Headteacher to commit the School to expenditure.	limits of the Headteacher to commit the School to expenditure. Once completed, the document should be presented to the Governing Body and its approval minuted in the Governing Body minutes.	
5.3.2 Medium	Orders are currently made via telephone or online. Invoices received are subsequently batched up and sent to Finance for payment with a copy of the invoice retained at the School. Whilst the School have an Official Order book, the Office Manager confirmed it is rarely used. Therefore, there is no evidence available at the School that orders are correctly authorised. As no official orders are placed, there is also no evidence available to confirm checks have been made to the subsequent invoice and delivery note.	The School should ensure that for all purchases made for goods and services that either an Official order is raised and authorised using the F111 Official Order book or the purchase is made via the Purchase Card. All staff should be reminded of this process going forward.	Implemented
5.4.1 High	Discussions at the School established that the Officer Manager is inputting and authorising purchase card transactions. To do this, the Office Manager is switching between her own details to input the transactions and the details of the previous Headteacher to authorise them.	All Purchase Card expenditure should be independently review by the card authoriser. The School should contact the Purchase Card Manager to update their details as to who the card authoriser is and ensure that transactions are reviewed going forward.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.5.1 Medium	Discussions at the School revealed that one of the auditors for the fund is related to the Headteacher/Fund Chairperson.	The School should seek to replace the auditor who is a relative of the Head teacher in order to demonstrate independence and transparency in the annual review process.	Implemented
5.5.2 Low	Whilst bank statements show evidence of reconciliation (ticks) and are signed by the Headteacher, they are not dated as evidence of when the reconciliations took place.	Each bank statement should demonstrate evidence of reconciliation and should be signed and dated by the person undertaking the reconciliation.	Implemented
5.6.1 Medium	Discussions with the Office Manager established that all income is received in envelopes from pupils. These are subsequently counted and input on to the School meals system. However, no signatures are provided as confirmation of the amounts received.	When income is counted in the office for banking, details of the amounts should be signed by both the Office Manager and another member of staff to verify the income received.	Implemented
5.7.1 Low	IT equipment at the School is not marked as property of the School.	Equipment should be adequately marked as property of the School for security purposes.	31 December 2017

AUDIT NAME: PENRHYS PRIMARY

DATE FINAL REPORT WAS ISSUED: 10/10/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Penrhys Primary School was last subject to an Internal Audit Review in June 2013 and this is the third cyclical visit made to the School to examine progress made under the self evaluation process.

SCOPE & OBJECTIVES

The checklist for non-chequebook primary schools comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial year 2017/18.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.

AUDIT OPINION

Overall, the control environment in respect of the School's financial and governance arrangements is considered to be effective with opportunity for improvement.

Governance

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and membership is reviewed and agreed annually. All Governing Body minutes examined were appropriately signed by the Chair of Governors; however at the time of the audit review the Governing Body attendance sheets were not held at the School. This report recommends that attendance sheets for all Governing Body meetings be retained at the School. Although a Register of Business Interests is in place at the School and is updated annually, at the time of the audit review no declaration was present for 2 Governors.

The processes in place in respect of reviewing and ratifying statutory and non-statutory policies were inconsistent. This report recommends that when policies and documents are reviewed, they should be clearly recorded within the minutes of the Governing Body.

Safeguarding & Educational Visits

The School have a Safeguarding and Child Protection Policy which is reviewed annually. Testing identified that all staff received the appropriate clearances before commencing duties in their posts.

Initially, the School did not have a record of staff DBS references; however, a DBS list was obtained during the audit visit and is now held at the School. It was also noted that the DBS details for supply staff are not routinely obtained from the supply agency.

Although the School have appointed 3 members of staff with designated child protection responsibilities and assurance was given that the 3 members of staff have undertaken Level 3 Child Protection training, the School were unable to provide the relevant certificates. In addition to this, no formal child protection training had been provided to any other staff at the School for over 3 years. This report recommends that appropriate child protection training is provided to all members of staff, including casual staff members as soon as possible.

The School make use of the EVOLVE system to record details of all off-site visits. This review established that staff were suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'.

School Private Fund

Overall, the School Private Fund is administered in line with the School Private Fund regulations, with detailed records that provide an adequate audit trail for all income and expenditure transactions sampled.

An appropriate Management Committee has been established and the Annual Certificate and Audited Accounts were submitted to Education Finance by the required date.

Notwithstanding this, 3 occasions were noted whereby receipts were not present to support 3 items of cash expenditure totalling £246.50.

Purchasing

Whilst most purchases are made using the Purchase Card, the School still places orders with some companies who will not accept the credit card. Where these instances occur, the School Clerk will place an order either directly with the company on-line or via telephone. No official order is raised; therefore the School is unable to demonstrate that the Headteacher gave prior approval before placing an order. However all invoices have been signed by the Headteacher.

In terms of items purchased using the School Purchase Card, there was a sufficient audit trail in respect of evidence being available to support the expenditure. However, audit testing identified that the Transaction Log had not been updated with recent items of expenditure. This report recommends that the Transaction Log be updated following each Purchase Card purchase made.

Collections & Deposits

Dinner money is updated to SIMS and banked regularly; the School manage their arrears in line with the Catering Finance School Meal Protocol. Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained.

Equipment & Data Security

The School is registered with the Information Commissioner and a valid copy of the registration is held at the School. Information held on the system is backed up regularly.

The School's Inventory is not presently up to date and neither is IT equipment marked as property of the school.

Implementing the recommendations contained in the report will further enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>Since the Headteacher was appointed in April 2014, the Governing Body has not formally confirmed the financial limits of delegated authority for incurring expenditure and amending budgets.</p> <p>The Headteacher confirmed that all spend with an estimated value in excess of £2,000.00 is discussed with the Governing Body prior to committing the School to expenditure.</p>	<p>The Governing Body should establish the financial limits of delegated authority to the Headteacher and relevant staff and this should be formally approved (and minuted) by the Governing Body.</p>	Implemented
5.1.2 Low	<p>Governor attendance sheets were not evidenced during the audit fieldwork. Discussions at the School identified that they are retained by the School Governor Support Officer.</p>	<p>Attendance sheets for all Governing Body meetings must be retained at the School and held in a manner that makes them accessible.</p>	Implemented
5.1.3 High	<p>Section 2.9 of the Scheme for Financing Schools states that:</p> <p>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</p>	<p>A declaration of business interests register should be completed on an annual basis which details the business interests of all Governors, the Headteacher and any other staff who may influence financial decisions at the School.</p> <p>A declaration for the two Governors should</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	Although a register has been established, no declaration was present for two Governors.	be completed immediately.	
5.1.4 High	<p>All but 1 (Data Protection) statutory policies are in place at the School.</p> <p>Overall, it was difficult to establish when policies were reviewed, when they are due to be reviewed and when they had been presented to the Governing Body for ratification.</p> <p>It was not evident within the Governing Body minutes that the following had been presented and ratified during the last 3 years:</p> <p>Statutory Policies:</p> <ul style="list-style-type: none"> • Admissions Policy; • Curriculum Policy; • Data Protection Policy; • Equality Policy; • Health & Safety Policy; • Pay Policy; • Pupil Discipline (Including Anti Bullying); • Sex Education Policy; and • Special Educational needs Policy. <p>Statutory Documents:</p> <ul style="list-style-type: none"> • Accessibility Plan; • Assessment Arrangements; • Freedom of Information Publication Scheme; • School Prospectus; • Target-setting for schools; and 	<p>The Headteacher and Governing Body should ensure that they implement a rolling programme of review of all School policies. This will ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	30 November 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> • Transition Plans. 		
5.2.1 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</p> <p>Whilst the Headteacher indicated that she and 2 other members of the teaching staff have received level 3 child protection training, no certificates could be located at the School to demonstrate when and by whom the training was undertaken.</p> <p>Furthermore, although the Headteacher was confident that all School staff had received child protection training 3 years ago (delivered by the Council's Safeguarding Officer), no records were available to confirm this.</p> <p>Additionally, no evidence was available to confirm that annual safeguarding refresher training has been provided at the School (by the Level 3 trained staff) during inset days, as required.</p>	<p>The School should develop a central training record to demonstrate the date and level of attainment alongside individual staff names. This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p> <p>Certificates should be retained at the School for all staff trained to Level 3.</p> <p>Appropriate training for the whole School, including casual members of staff, should be arranged as soon as possible.</p>	Implemented
5.2.2 Medium	<p>A list of all staff employed at the School, including DBS references, was obtained from VISION during the Audit review. This list does not include volunteers however.</p>	<p>A record of all DBS checks undertaken for staff, volunteers and supply staff should be maintained and held at the School. This</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	Furthermore, discussions at the School identified that whilst 2 supply teaching agencies are used for supply staff, only one agency routinely provides DBS details.	should detail their names, reference number and date of check.	
5.3.1 Medium	At present income and expenditure in respect of the School Private Fund transactions are recorded in separate income / expenditure ledgers. Whilst a running total is maintained of the income / expenditure for each category no running balance of the account overall is maintained.	All expenditure transactions should be clearly recorded against any income received for the same period. To ensure that an accurate balance of the School Private Fund is maintained, a column should be added to the Ledger to allow a running balance to be maintained following each transaction.	Implemented
5.3.2 Medium	A review of the School Private Fund expenditure for the period September 2016 to July 2017 identified 3 payments whereby cheques had been drawn for cash: <ul style="list-style-type: none"> • 102264 £126.50 - Asda shopping trip; • 102265 £50.00 - Asda shopping trip; and • 102292 £70.00 - Ice cream at Barry. <p>Although a "petty cash" form is present for each cheque drawn and has been signed by 2 members of staff, no receipts had been provided retrospectively to demonstrate / support that all the cash had been spent in full and in accordance with the School Private Fund Regulations.</p>	In accordance with the School Private Regulations, care should be taken to ensure that all items of expenditure are supported by relevant receipts / invoices / vouchers as proof of payment. Whilst the "petty cash" form presently in use is acceptable, care should be taken to ensure that full details of un-receipted expenditure are recorded.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.4.1 Medium	<p>Section 6 of the Cardholder Manual for School document issued by the Procurement Service states that 'Each Purchasing Card transaction should be recorded on the transaction log as soon as the transaction is complete to ensure that no information is omitted'.</p> <p>At the time of audit testing (18th July 2017), the transaction log had not been updated with purchases made since 4th July 2017.</p>	<p>Details of all Purchase Card transactions should be promptly updated onto the Transaction Log immediately a purchase is made.</p> <p>The Transaction log should then be used to reconcile to the on-line bank statement upon receipt of notification from the Purchase Card Administrator.</p>	Implemented
5.5.1 Medium	<p>Although it was established that the main form of ordering at the School is using the Purchase Card, it was also established that when the Purchase Card cannot be used, the School are not raising official orders when placing orders with a company. Alternatively, they place a telephone order directly with the company; hence, no formal record of the order is retained at the School.</p>	<p>The School should ensure that where the Purchase Card cannot be used, for any goods / services required an official order is raised using the F111 order book. This will ensure that a certified copy of the order is held at the School which can be used to cross-reference a delivery check when the goods are received and assist with any discrepancies with the order.</p>	Implemented
5.6.1 Medium	<p>The School Inventory list is currently not up to date.</p> <p>Observations made during the audit visit also identified that ICT equipment is not marked up as property of the School.</p>	<p>A full inventory review of the school's assets should be completed immediately. Thereafter, an annual review should be carried out to ensure that the record is accurate and up-to-date.</p> <p>ICT equipment should be security marked as property of the School.</p>	Implemented

AUDIT NAME: TRALLWNG INFANTS

DATE FINAL REPORT WAS ISSUED: 10/10/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements.

The process requires primary schools to complete a self-evaluation checklist against expected controls.

Trallwng Infants School was last subject to an Internal Audit Review in September 2013 and this is the third cyclical visit made to the School to examine progress made under the self evaluation process.

SCOPE & OBJECTIVES

The checklist for chequebook primary schools comprises of 155 standards that need to be reviewed. Audit testing was carried out on a sample of standards, using transactions processed during financial years 2016/17 and 2017/18.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that the school's budget has been approved by the Governing Body and that the budget set by the school complies with the 'Fair Funding : Scheme for Financing Schools, is in line with the funding available, individual budget heads are reasonable and that the budgetary information used for monitoring and reporting is complete, accurate and up-to-date.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.
- To ensure that petty cash is held securely, expenditure properly incurred and the account is appropriately monitored and controlled.

AUDIT OPINION

Overall, the control environment in respect of the School's financial and governance arrangements is considered to be effective with opportunity for

improvement.

Governance

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and membership is reviewed and agreed annually. All Governing Body minutes examined were appropriately signed by the Chair of Governors and a complete Register of Business Interests is in place at the School, this being updated annually.

All statutory policies and recommended documents are in place at the School; however, some had not been ratified by the Governing Body. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being evidence clearly within the Governing Body minutes.

No evidence was available to confirm that the Governing Body has approved any delegated financial limits to relevant staff at the School.

Safeguarding & Educational Visits

The School have a Safeguarding and Child Protection Policy, which is reviewed annually. Testing identified that all staff received the appropriate clearances before commencing duties in their posts and all staff had received safeguarding and child protection training: there is documentary evidence at the School to support this.

The School make use of the EVOLVE system to record details of all off-site visits. This review established that staff were suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits' and all trips examined were appropriately recorded in accordance with the recommended timescales.

School Private Fund

A Management Committee has been established and the Annual Certificate and Audited Accounts were submitted to Education Finance by the required date.

There is an adequate audit trail for all expenditure transactions; however, there is no formal process for recording income received in respect of activities relating to the fund - currently income is only formally recorded when a banking is undertaken and one occasion was identified where income totalling £539.50 received during April 2016 was not deposited at the bank until 12th September 2016.

This report recommends that a Record of Daily Income form is introduced to record all income received on a daily basis and that deposits at the bank are undertaken more frequently.

Purchasing

Whilst most purchases are made using the Purchase Card, the School still places orders with some companies who will not accept the card. Where these instances occur, orders are recorded using the SIMS system. However, from a sample of 5 completed orders examined, 3 orders were raised on SIMS after receipt of the goods and corresponding invoice.

In terms of items purchased using the School Purchase Card, there is a sufficient audit trail of evidence to support expenditure incurred; however, it was established that the Transaction Log is not updated when a purchase is made, instead, it is updated monthly. This report recommends that the Transaction Log is updated following each Purchase Card payment and not when the reconciliation process is undertaken.

Collections & Deposits

Dinner money is updated to SIMS and banked regularly, and the School manage their arrears in line with the Catering Finance School Meal Protocol.

Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained.

Equipment & Data Security

The School is registered with the Information Commissioner and a valid copy of the registration is held at the School. Information held on the system is backed up daily and confidential data is kept securely.

Budgetary Control

The School budget has been approved by the Governing Body and spending is in line with the earmarked funding.

Implementing the recommendations contained in the report will further enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>Since the Headteacher's appointment to post in September 2015, the Governing Body has not formally confirmed the financial limits of delegated authority for incurring expenditure and amending budgets.</p> <p>Discussions with the Headteacher indicated that, typically, all estimated spend in excess of £1,000.00 is discussed with the Governing Body prior to committing the School to expenditure.</p>	<p>The Governing Body should establish the financial limits of delegated authority to the Headteacher and relevant staff and this should be formally approved (and minuted) by the Governing Body.</p>	30 November 2017
5.1.2 Medium	<p>Whilst all statutory policies and documents were in place at the School, it was occasionally difficult to establish when policies were reviewed, when they are due to be reviewed and when they had been presented to the Governing Body for ratification.</p> <p>It was not evident within the Governing Body minutes that the following had been presented and ratified during the last 3 years: Statutory Policies:</p> <ul style="list-style-type: none"> • Data Protection Policy; • Equality Policy; • Pay Policy; • Pupil Discipline (Including Anti Bullying); • Special Educational needs Policy; 	<p>The Headteacher and Governing Body should ensure that they implement a rolling programme of review of all School policies. This will ensure that all policies are up to date and reflect the current practices at the School.</p> <p>Following the rolling programme of review, policies should be presented to the Governing Body for review and ratification (and this should be minuted).</p> <p>Details of review should be captured on the</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Statutory Documents:</p> <ul style="list-style-type: none"> • Assessment Arrangements; • Freedom of Information Publication Scheme; • Target Setting for Schools; and • Transition Plans. 	document covers i.e. date reviewed, date to be reviewed, signed and dated etc.	
5.2.1 Medium	<p>The School Private Fund bank statements are addressed to the Trallwng Infants PTA Account.</p> <p>There was uncertainty as to the reason for this as the School PTA hold a separate bank account.</p>	The School should contact the Bank and request that all statements are addressed to the current Head teacher at the School's full postal address.	Implemented
5.2.2 Medium	<p>Examination of the School Private Fund records established that:</p> <ul style="list-style-type: none"> • A record of daily income is not in place at the School; • A running balance of the ledger is not maintained; and • Delays in banking were identified (a deposit of £539.50 was made at the bank on the 12th September 2016 which related to a trip that took place on the 18th April 2016). 	<p>A Record of Daily Income form should be introduced immediately and be totalled and ruled off when the income is subsequently banked. The date of banking should also be recorded.</p> <p>To ensure that an accurate balance of the School Private Fund is maintained, an additional column should be added to the Ledger to allow a running balance to be maintained following each transaction.</p> <p>All income received should be banked in accordance with the School Private Fund Regulations which at present require that all</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		money is banked weekly where £50.00 or more is collected, or immediately where the amount in hand reaches £200.00.	
5.3.1 Medium	Point 6.1 of the Cardholder Manual for Schools states: 'Each Purchasing Card transaction should be recorded on your transaction log as soon as the transaction is complete to ensure that no information is omitted.' The Transaction Log is currently updated on receipt of the Bank Statements and not as and when a purchase is made.	In line with the Cardholder Manual, the transaction log should be updated as and when a Purchase Card payment is made, which will enable the transactions listed on the log to be reconciled to the Barclays system on a monthly basis.	Implemented
5.4.1 Medium	A sample of five paid orders were selected from SIMS for examination. Three of these orders were not raised on SIMS until after receipt of the goods and corresponding invoice, although on each occasion it is likely that a prior request would have been made (4645170001, 4645170006 & 4645170015).	Where possible the School should use the purchase card for the purchase of goods and payment of services. On the occasions that it is not possible to use the Purchase Card, an official order should be raised on SIMS for all committed expenditure. This should be done as soon as the commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner (by the budget holder) and there is a hard copy of the items ordered at the School which can be used to check the subsequent delivery of goods and relevant invoice.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.5.1 Low	Discussion at the School revealed that only Ipads are marked up as property of the School - no other items of IT equipment are.	All IT equipment should be security marked as property of the School.	Implemented

AUDIT NAME: TREF Y RHYG PRIMARY

DATE FINAL REPORT WAS ISSUED: 01/11/2017

INTRODUCTION

The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Tref y Rhyg Primary School was last subject to an Internal Audit Review in April 2013 and this is the third cyclical visit made to the School, to examine progress made under the Self Evaluation process.

SCOPE & OBJECTIVES

The checklist for non-chequebook primary schools comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the School, using transactions processed during the current and previous financial year.

The objectives of the review were:

- To review the Governance arrangements in place at the School.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2016 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meal income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the School are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 1998.

AUDIT OPINION

Overall, the control environment of the School is considered to be effective with opportunity for improvement.

Governance

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. Despite the Governing Body having one vacancy,

all sub committees have the requisite number of members.

Although a Register of Business Interests is in place at the School, and updated annually, no declaration was present for 3 Governors.

It was also noted that not all signed copies of the Governing Body minutes are held at the School; instead they are held centrally by the Governor Support Service, as are Governing Body meeting attendance sheets.

Safeguarding & Educational Visits

The School have a Safeguarding and Child Protection Policy, which is reviewed annually. Testing identified that all staff received the appropriate clearances before commencing duties in their posts and all staff have received safeguarding and child protection training: there is documentary evidence at the School to support this.

All off-site trips examined had been recorded on the EVOLVE system; this report recommends that care should be taken to ensure that in accordance with the document 'Planning and Approval Procedures for Educational Visits', residential trips are entered onto the EVOLVE system within the correct time-scales.

School Private Fund

The School Private Fund is administered in line with the School Private Fund regulations, with detailed records that provide an adequate audit trail for all income and expenditure transactions.

Notwithstanding this, 2 occasions were noted whereby eradicating fluid had been used on the Income record and the running bank balance on the Ledger had been completed in pencil. The use of eradicating fluid hides the original entry thereby removing any audit trail. Additionally, if pencil is used, there is potential that the ledger could be easily amended and this would remain undetected.

Purchasing & Purchase Card

In terms of the School Purchasing system, all orders raised by the School are appropriate and reflected in the budget, all have been correctly authorised and comply with Financial Regulations.

Where the purchase card is used, there is a sufficient audit trail in respect of evidence being available that supports expenditure; however, where the card is shared between staff, a log is not being maintained in the recommended format as included within the notes of guidance for purchase card holders. Currently the log in use does not include the times the card is taken and returned.

Collections & Deposits

Dinner money is updated to SIMS and banked promptly, and the School manage their arrears in line with the Catering Finance School Meal Protocol.

Testing identified that free school meals are only provided to those for whom eligibility has been confirmed and retained.

Equipment & Data Security

The School is registered with the Information Commissioner and a valid copy of the registration is held at the School. Information held on the system is backed up daily and confidential data is kept securely.

Implementing the recommendations contained in the report will further enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Low	<p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 6 Parent Governors and 5 LEA Governors.</p> <p>Examination of the Governing Body structure revealed that there is currently 1 LEA Governor vacancy.</p>	The School should endeavour to fill the Governor vacancy as soon as possible.	30 November 2017
5.1.2 Low	<p>Section 2.9 of the Scheme for Financing Schools states that: <i>'Governing Bodies are required to establish a register of business interests...which lists for each member of the Governing Body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from Governors and the Head Teacher, and through an annual review process'.</i></p> <p>Although a register has been established, no declaration was present for three Governors. However, it is acknowledged that the 3 Governors have not attended a Governing Body meeting this academic year.</p>	A declaration should be completed immediately in respect of the 3 Governors identified.	30 November 2017
5.1.3 Low	Governor attendance sheets were not evidenced during the audit fieldwork. Discussions at the School identified that they are retained by the School Governor Support Officer.	Attendance sheets for all Governing Body sub committee meetings must be retained at the School and held in a manner that makes them accessible.	30 November 2017
5.1.4 Medium	The keeping of minutes and papers is prescribed in regulations 47 and 48 of The Government of Maintained Schools (Wales) Regulations 2005. These state that: <i>'the governing body must, as soon as reasonably practicable, make</i>	Signed minutes for each Governing Body and Sub-Committee meeting should be retained at the School.	30 November 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>available for inspection at the school by any interested person, a copy of (a) the agenda for every meeting; (b) the signed minutes of every such meeting, (c) any report or other paper considered at any such meeting; and (d) the draft minutes of any meeting, if they have been approved by the person acting as chairman of that meeting'.</p> <p>Of the sets of minutes examined during the fieldwork, only 2 sets had been signed (6.10.15 & 14.12.15).</p>	Where minutes are loose-leaf, each page should be initialled, and the last page signed and dated by the Chairperson.	
5.2.1 Low	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits / adventure activities must be 'planned and approved using the Evolve system at least 28 days before visit'.</p> <p>Examination of a sample of trips recorded on Evolve identified 1 recent visit had not been entered onto EVOLVE in accordance with the 28 day timescale:</p> <ul style="list-style-type: none"> • Date of travel: 24th June 2016. • Entered onto EVOLVE on the 4th June 2016. • Authorised on 6th June 2016. 	Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct time-scales in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate.	30 November 2017
5.3.1 Medium	<p>Examination of the School Private Fund ledger revealed that the running bank balance is completed in pencil.</p> <p>It was also noted that eradicating fluid had been used in the Income book.</p>	<p>The School Private Fund Ledger is a prime financial document and as such the entries should be recorded in ink.</p> <p>Eradicating fluid should not be used on prime financial documents. If a mistake needs to be amended it should be crossed through in</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		ink and a new entry made.	
5.3.2 Low	<p>Examination of the School Private Fund expenditure for the current academic year identified instances of expenditure, amounting to £37.49, that was not in line with the School Private Fund Regulations:</p> <ul style="list-style-type: none"> • 15.2.17 - £10.00 - tables for classroom; • 20.3.17 - £16.00 – rug; and • 4.4.17 - £11.49 - Crab & Seagull. 	This type of expenditure falls outside the scope of the fund and would be more appropriately financed from the school budget account in future.	Implemented
5.4.1 Low	<p>Although a log is maintained each time the Purchase Card is shared with other members of staff, it is not being maintained in the recommended format (as included within the notes of guidance for purchase card holders).</p> <p>Currently the log in use does not include the times the card is taken and returned.</p>	On occasions where a member of staff requires the use of the card, care should be taken to ensure that the formal signing in / out record includes the times the card is taken and returned together with the signature of the member of staff.	Implemented

AUDIT NAME: Y PANT COMPREHENSIVE SCHOOL

DATE FINAL REPORT WAS ISSUED: 07/11/2017

INTRODUCTION

Y Pant Comprehensive School is a mixed 11-18 School, predominantly serving the lower Taff area. There are 1,295 pupils on roll, of which 202 are in the 6th form. The percentage of pupils claiming free school meals is 8.34%.

The total budget for the School for 2017/18 is £4,981,691. The previous Headteacher left the School in April 2017 at which point the current Headteacher was appointed in an 'acting' capacity.

The School was inspected by ESTYN in January 2017 and was awarded 'excellent' in all five categories.

SCOPE & OBJECTIVES

All financial systems in operation at the School were considered and an assessment carried out in consultation with the Acting Headteacher and Chair of Governors to identify those areas representing the highest risk to the School, and therefore necessitating review.

On the basis of this assessment, audit work was carried out on the following areas of administration: -

- Governance;
- Safeguarding;
- School Private Fund;
- Purchasing;
- Purchase Card;
- Income; and
- Assets.

AUDIT OPINION

Overall, the control environment in relation to the School's financial and governance arrangements is considered to be insufficient and requires improvement.

The sample period for this review coincided with the new School being constructed and also the physical move from the old site to the new site; this programme of work was overseen by the Business and Site Manager (in addition to his other duties) and is considered to have stretched resources for a period of time.

Since receiving the draft report, the Acting Headteacher has verbally confirmed her acceptance to all of the recommendations and has increased the resources in the areas requiring most improvement. Upon the instruction of the Acting Headteacher, the School is also in the process of implementing a cashless system which should reduce the administrative processes required for this task.

The Acting Headteacher has requested a follow-up review.

This report contains a high number of recommendations, the most significant of which are:

Safeguarding & Governance

Whilst the School's designated Safeguarding Officer has a number of training certificates for staff who have attended training, they do not complete a training attendance record.

Payments have been made to 7 individuals in respect of music tuition. No HMRC questionnaire was completed prior to appointing each of these tutors.

The current Financial Procedure document in place at the School is not sufficient and requires review and updating.

Whilst the School was able to provide copies of all required Policies and Procedures, it was not able to demonstrate that they are reviewed regularly, updated and ratified by the Governing Body.

No register of business interests were present for 7 Governors

School Income

The newly acquired system used for processing bookings for facilities at the School require review in order to ensure key controls are followed.

Whilst the School has a Charging Policy in place that contains details of hires and costs, the costs included do not match the current rates charged or refer to discounts that are offered by the School.

At the time of the fieldwork for this review, the Business Manager was responsible for raising all invoices; updating income onto SIMS; and undertaking the bank reconciliation. These current arrangements do not demonstrate an appropriate segregation of duties.

In addition, bank reconciliation had not been undertaken since 29th April 2017 and the School is not using the SIMS invoicing facility when issuing requests for monies owed. The School have their own invoice template. Invoices do not include the Council's VAT number and are not signed as authorised by the Acting Headteacher.

School Private Fund

At the time of the audit review there were 8 pre-signed cheques present in the chequebook.

Records were requested for two trips. Both sets of records were poorly maintained and did not provide the Auditor with sufficient information in respect of income and expenditure.

Purchase Card

The School has two purchase cards. Despite assurance given during previous reviews that transaction logs for both Purchase Cards would be implemented, it was established that they have not been.

For a sample of transactions relating to both Purchase Cards, a sample of purchases were examined and receipts could not be located to support the expenditure incurred (£3,099.94).

Examination of the Purchase Card expenditure for the 2016/17 financial year identified the following instances of expenditure amounting to £1,272.78 which are deemed inappropriate/unnecessary.

The cardholders confirmed that other members of staff utilise their Purchase Cards. A record of this is not maintained.

Purchasing

The current list of cheque signatories is out of date and includes the previous Headteacher.

Additionally, signatories are listed but do not have delegated authority to incur expenditure on behalf of the School.

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Low	<p>Whilst Internal Audit is able to provide assurance that all staff at the School received a DBS check prior to commencing in post, the School did not have the evidence available to confirm this.</p> <p>Note: Audit testing was undertaken based upon the information contained within the Council's Vision HR system.</p>	<p>The Acting Headteacher should ensure that the School holds and maintains an up to date record of all staff that work at the School both permanently and temporarily i.e. supply teachers, student teachers, volunteers etc. This should detail their names, DBS reference number and the date of check.</p>	Implemented
5.1.2 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</i>.</p> <p>It was established that Level 1 Safeguarding training was last provided to School staff by a Council Safeguarding Officer in February 2013.</p> <p>The School's designated Safeguarding Officer stated that since February 2013, she has provided Level 1 Safeguarding training to staff as she has been delegated the authority to provide annual refresher training at the School by the Council's Safeguarding team.</p> <p>Whilst the Schools designated Safeguarding Officer has a number of training certificates for staff who have attended training, they do not complete a training attendance record for School training sessions / refresher training.</p>	<p>The Acting Headteacher should ensure that a formal training record is put in place at the School and updated as and when training is delivered / received.</p>	31 December 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.3 High	<p>Examination of the budget expenditure for the current financial year identified payments that were being made to 7 individuals in respect of music tuition.</p> <p>No HMRC questionnaire was completed prior to appointing each of these tutors and hence, no ESI reference number was obtained (these tutors were appointed prior to the introduction of the revised requirements relating to IR35).</p>	<p>Before a School engages with an external entity for the provision of services, they must review the employment status.</p> <p>Note: The School should be aware of the change in requirements that link to HMRC IR35.</p>	Implemented
5.2.1 High	<p>The current Financial Procedure document in place at the School requires review and updating, for example:</p> <ul style="list-style-type: none"> • It contains the previous Head teacher's details and not the current Acting Headteacher. • It names the previous Headteacher as having, amongst other responsibilities, delegated financial limits up to £10k. • It does not identify any other staff as having delegated spending limits. • It contains only basic details regarding the roles / responsibilities of individual staff involved in several (not all) of the School's areas of administration. • The document does not refer to the administration and collection / banking of income for the hire of facilities. 	<p>The Acting Headteacher should ensure that the School's Financial Procedure document is reviewed and updated to take account of all of the recommendations within this report.</p> <p>For example, it should include a scheme of delegation, to formally record the Acting Headteacher's financial limits for expenditure and budget virements, together with any other members of staff who can commit the School to expenditure.</p> <p>Once updated, the Procedure should be presented to the Governing Body for ratification.</p>	31 December 2017
5.2.2 Low	<p>Examination of the Governing Body structure revealed that there is currently 1 parent governor vacancy. At the time of the audit review, the School were in the process of attempting to fill this vacancy.</p>	<p>The School should continue to endeavour to fill the Governor vacancy as soon as possible.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	It is acknowledged that, to date, this has not had a detrimental effect on meetings being able to be quorate etc.		
5.2.3 Medium	Attendance registers for Governing Body and Sub-Committee meetings are not always completed and retained.	It should be ensured that Governors sign the attendance registers for all Governing Body and Sub-Committee meetings, with these being retained at the School	Implemented
5.2.4 High	<p>Whilst the School was able to provide copies of all required Policies and Procedures, it was not able to demonstrate that they are reviewed regularly, updated and ratified by the Governing Body.</p> <p>For example, the School's Staff Disciplinary Policy was dated September 2013 and was ratified by the Governing Body in March 2014. It has not been subject to review since this date.</p>	The Acting Headteacher should collate a schedule of all Policies and Procedures that are in place at the School and ensure that they are all reviewed in a timely manner, and following review, they must be presented to the Governing Body for ratification.	31 December 2017
5.2.5 High	<p>Section 2.9 of the Scheme for Financing Schools states that: <i>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</i></p> <p>Internal Audit testing confirmed that no declarations were present for 7 Governors and the declaration in respect of another Governor had not been dated.</p>	<p>Declarations for all Governors should be obtained immediately.</p> <p>Moving forward, the School should ensure that the register of declarations is a 'live' document and updated as and when required.</p>	Implemented
5.3.1	The School has recently adopted a new arrangement in respect of how	The Acting Headteacher should ensure that	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
High	<p>users of facilities can hire them.</p> <p>The OpenPlay system is an on-line system that allows the public to book the hire directly, with the intention being that invoices will be produced directly from the system for payment, or hirers can pay online using their debit/credit card. The online payments will then be forwarded by OpenPlay to the School.</p> <p>Prior to adopting the new system, the School did not consider the following controls:</p> <ul style="list-style-type: none"> • All hires need to be formally authorised by the Headteacher. • Hirers need to sign the Booking Form and agree with the School's Terms & Conditions of hire. If these documents are only available online, this is not possible. • In the event that a member of public does not wish to use the on-line tool, staff members indicated that they could either telephone or go to the School. Staff suggested they intend on taking personal and payment card details off hirers and manually input them on to OpenPlay on their behalf. However, this is not permitted in accordance with the requirements of the Payment Card Industry (PCI). • The School's Standard Terms & Conditions have not been updated to reflect the new on-line arrangement. • There is no link from OpenPlay to SIMS, so SIMS would need to be updated with invoices raised and also payments received as and when they occur. • The ability to check for VAT exemption for block bookings has not been fully considered. 	<p>all bookings are processed in accordance with the requirements contained within the Hire Procedures.</p> <p>For example, for all bookings, it must be evidenced that:</p> <ul style="list-style-type: none"> • The Acting Headteacher has approved them. • Hirers have formally accepted the School's Terms & Conditions. • No payment card transactions should be administered by staff on behalf of hirers. <p>Processes need to be put in place to ensure that all income collected via OpenPlay is input onto SIMS as and when it is collected, to ensure SIMS is accurately maintained.</p> <p>The revised instructions / guidance should be put into place with immediate effect.</p>	

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> There is uncertainty in respect of how the School could manage discounts that they offer. 		
5.3.2 High	<p>The School has a Charging Policy which was last updated in March 2016.</p> <p>Whilst the Policy contains details of hires and costs, the costs included do not match the current rates charged or refer to discounts that are offered by the School.</p> <p>Additionally, it does not contain any detail about the OpenPlay online booking system that the School have introduced and also no reference to the School Policy in relation to arrears.</p>	<p>The School's Charging Policy should be reviewed and updated to ensure it reflects current hire and chargeable activities. Costs in relation to these should be included as well as documenting the processes for dealing with arrears. Additionally, it should include details regarding the OpenPlay booking system that the School have introduced.</p> <p>The Policy should be presented to the Governing Body for endorsement, with a frequency of future review determined.</p>	Implemented
5.3.3 High	<p>At the time of the fieldwork for this review, the Business Manager was responsible for:</p> <ul style="list-style-type: none"> Raising all invoices; Updating income onto SIMS; and Undertaking the bank reconciliation. <p>The current arrangements do not demonstrate an appropriate segregation of duties.</p> <p>In addition to the above control issues:</p>	<p>The Acting Headteacher should ensure that an appropriate segregation of duties is put in place in respect of raising invoices, updating SIMS and undertaking any subsequent bank reconciliation process.</p> <p>Thereafter, updating SIMS and undertaking a bank reconciliation process should be completed in a timely manner.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> • Income had not been updated to SIMS since 28th April 2017 and; • Bank reconciliation had not been undertaken since 29th April 2017. 		
5.3.4 High	Whilst it was confirmed that a central Record of Daily Income form is maintained, the two members of staff involved in the handling of the income do not sign to confirm the amounts involved.	When income is collected by staff and transferred to the office to be counted and banked, the Record of Daily Income form should be supported by the signatures of the two persons involved in receiving and counting.	Implemented
5.3.5 High	The School are not using the SIMS invoicing facility when issuing requests for monies due to the School.	<p>The invoicing facility within SIMS should be used which will alleviate the need for manual invoices to be produced and allow income received to be directly matched to the respective invoice.</p> <p>All invoices (including the copy retained at the School) should be authorised by the Acting Headteacher.</p>	Not Agreed, the invoicing module is unsatisfactory and lacks flexibility to manage multiple lettings. The Open Play system (see 5.3.1) will be used to raise the invoices which will be signed by the Acting Headteacher.
5.3.6 Medium	The School sell uniform to pupils/parents. To administer this, the School utilise the PTA, whereby, on a weekly basis members of the PTA open the uniform 'shop' and pupils/parents can purchase School	Whilst it is accepted that the PTA can continue to help in the sale of School uniform, the School needs to ensure a	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>uniform from them, with the income collected then passed to School staff for banking the following day.</p> <p>It was established that whilst all expenditure/income in relation to School uniform is for the School budget, members of the PTA are formally signing School orders to purchase School uniform.</p> <p>Additionally, whilst a list of daily sales and income is provided to the office by the PTA confirming what was sold, VAT is not always recorded correctly on these 'returns'.</p>	<p>member of School staff authorises the orders for 'stock'.</p> <p>An appropriate audit trail in respect of VAT should be kept.</p>	
<p>5.4.1</p> <p>Medium</p>	<p>Two members of staff are currently involved in the administration of the School Private Fund.</p> <p>One member of staff collects the income on a daily basis and inputs the amounts on to the Record of Daily Income form, an Excel spreadsheet and other records. Then, at the end of each day, this income is passed to another member of staff who counts the income and inputs the amounts to a different Excel spreadsheet. The staff member also pays any invoices in relation to the School Private Fund.</p> <p>At the end of each week, the daily amounts collected are passed back to the original member of staff who once again counts the income prior to the income being banked.</p> <p>There was no rationale as to why the School Private Fund is administered by two staff, with each duplicating the work of the other.</p>	<p>The School should clarify the responsibilities in respect of the income collected for the School Private Fund.</p> <p>This will help ensure consistent processes are maintained and eliminate any unnecessary / duplication of work.</p>	<p>Implemented</p>

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.4.2 Medium	<p>The entries in respect of School Private Fund income / expenditure should allow for prompt reconciliation within each financial period.</p> <p>Whilst a Ledger in the form of an excel spreadsheet has been introduced at the School, it does not follow the expected format:</p> <ul style="list-style-type: none"> • Income and expenditure transactions are recorded on separate sheets; and • There is no running balance recorded. 	<p>The School Private Fund ledger should contain details of all income and expenditure transactions on the same page to provide a meaningful analysis of accounts, and a running balance for reconciliation to the bank statements. Appendix 2 of the School Private Fund Regulations provides notes of guidance for the completion of ledgers and a suggested format is included at Appendix 4 of these Regulations.</p>	Implemented
5.4.3 Medium	<p>Whilst there is a central record of daily income maintained at the School, it was established that:</p> <ul style="list-style-type: none"> • This record is used to record income received in respect of both the School Private Fund and School Budget Account. • Only one signature is provided on this record as evidence of the amounts collected. 	<p>Separate Record of Daily Income forms should be maintained by the School for the School Private Fund and School Budget Account.</p> <p>For School Private Fund purposes, this form should be completed as and when the Treasurer receives any income, and supported by the signatures of the two persons involved.</p> <p>The same process should be followed by the person responsible for receipting School Budget Account income although a separate Record of Daily Income form should be maintained.</p> <p>When income is subsequently banked the amounts should be totalled and ruled off.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.4.4 High	<p>One of the fund auditors is the Business Manager, who has direct line management of the staff involved in the day to day running of the School Private Fund. As a consequence, it is deemed that the Business Manager is not sufficiently independent of the running of the Private Fund.</p> <p>Additionally, from discussions with the Business Manager, it was established that whilst the Private Fund has another auditor appointed, the auditor does not undertake the appropriate checks as required and highlighted within the Private Fund Regulations.</p>	<p>The School should appoint an alternative auditor for the School Private Fund who is independent of the administration of the account.</p> <p>Additionally, the School needs to ensure the second auditor undertakes the full requirements of the auditor role, or look to appoint a new auditor.</p> <p>A copy of the School Private Fund Regulations should be provided to the auditors to ensure they are fully aware of their roles.</p>	Implemented
5.4.5 Medium	<p>The Annual Statement in respect of the School Private Fund was presented to the Governing Body in autumn 2016, prior to the accounts being audited by the Fund Auditors.</p> <p>In addition, the deadline for the submission of the Private Fund Annual Statement to Education Finance was the 31st December 2016. The Annual Statement for the year ending 31st August 2016 was not returned until 27th February 2017.</p>	<p>It should be ensured that the Fund Auditors have audited the account prior to them being presented to the Governing Body.</p> <p>The Private Fund Annual Statement should be submitted to Education Finance within the timescales required.</p>	Implemented
5.4.6 High	<p>At the time of the Audit review, there were 8 pre-signed cheques present in the chequebook.</p> <p>It was established that only one of the three named cheque signatories on the account is presently in School, restricting the School's ability to</p>	<p>The practice of pre-signing a 'stock' of cheques should cease with immediate effect.</p> <p>The School should enquire with the bank as to when the new signatories can be used.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>process cheque payments.</p> <p>The School have notified the bank of a new panel of signatories, but were awaiting the bank to authorise these.</p>		
5.4.7 High	<p>Examination of the School Private Fund bank statements revealed that whilst there was some evidence of reconciliation i.e. some transactions were ticked, there was no rationale to the process and no signatures and dates to confirm who undertook any checks.</p> <p>The Business Manager stated that no formal Bank reconciliation exercise is undertaken.</p>	<p>Bank statements should be reconciled to the fund ledger by an independent person.</p> <p>The statements should be signed and dated by the person carrying out the reconciliation as evidence of when and by whom this was carried out.</p>	Implemented
5.4.8 High	<p>Records were requested for the Prague & Italy trips.</p> <p>Both sets of records were poorly maintained and did not provide the Auditor with sufficient information in respect of income and expenditure.</p> <p>The Business Manager indicated that it is the responsibility of the Fund Treasurer to maintain records for trip income; however it is for the trip organisers to maintain and retain all other information.</p> <p>In addition, section 9.1 of the School Private Fund Regulations states that: <i>'Any member of staff running a School trip is required to draw up and provide the Treasurer with a statement of account within one month of the conclusion of the trip. This must show details of all the receipts and payments relating to the trip which must be reconciled to the</i></p>	<p>The Acting Headteacher should ensure consistent practices are in place in relation to School trips and all documentation retained and readily available.</p> <p>The Acting Head teacher should implement a Trip Information Pack which would include standard documentation upon which details of income received / expenditure incurred can be recorded. The pack should be provided to all staff at the planning stage of each trip with guidelines for them to strictly adhere to.</p> <p>A statement of account should be prepared detailing income received and expenditure</p>	31 December 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p><i>ledger</i>.</p> <p>The Fund Treasurer stated that Statements of Account are not routinely prepared at the conclusion of any School trip.</p>	<p>incurred at the conclusion of each trip and passed to the Fund Treasurer for retention.</p> <p>The statement should be signed and dated by the Trip organiser as confirmation of the amounts involved.</p> <p>These records should be passed to the Treasurer at the conclusion of the trip and retained with the fund documentation for a period of six years.</p>	
5.5.1 High	<p>Section 6 of the Cardholder Manual for Schools issued by the Procurement Service states that: <i>'Each Purchasing Card transaction should be recorded on the transaction log as soon as the transaction is complete to ensure that no information is omitted'</i>.</p> <p>The School has two purchase cards. Despite assurance given during previous reviews that the transaction logs for both Purchase Cards would be implemented, it was established that they have not been.</p>	<p>Transaction Logs should be introduced for each of the Purchase Cards held at the School.</p> <p>All transactions should be promptly updated onto the Logs as and when they occur.</p>	Implemented
5.5.2 High	<p>For a sample of transactions relating to both Purchase Cards, a sample of purchases were examined and receipts could not be located to support the following: -</p> <p>DT Date Transaction Description £ 26/04/2016 Makro £59.69</p>	<p>It should be ensured that receipts/invoices are retained for all purchases. Where a receipt is not obtained, an 'expenditure without receipt' form should be completed.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:				
REPORT REF. & PRIORITY	FINDING		RECOMMENDATION	IMPLEMENTATION DATE
	13/09/2016	The Flower Pot	£28.50	
	21/10/2016	www.printertree.co.uk	£96.00	
	02/02/2017	M&S	£51.00	
	09/03/2017	Flower power	£33.00	
	Total		£268.19	
	AG			
	Date	Transaction Description	£	
	26/04/2016	Hostels Amenta S.L.	£671.25	
	26/05/2016	The Flowerpot	£25.00	
	05/07/2016	Travelex Uk Ltd	£1,040.22	
	16/09/2016	www.glee.co.uk	£227.50	
	04/10/2016	The old vic moto	£350.50	
	03/11/2016	Cadbury World Retail	£250.90	
	13/12/2016	Poundland	£53.00	
	14/12./2016	Crabtree & Evelyn	£38.00	
	17/02/2017	vueling airlines	£42.19	
	13/12/2016	Poundland	£53.00	
	14/12/2016	Crabtree & Evelyn	£38.00	
	17/02/2017	vueling airlines	£42.19	
	Total		£2,831.75	
5.5.3 High	Examination of the Purchase Card expenditure for the 2016/17 financial year identified expenditure amounting to £1,272.78 which was deemed inappropriate/unnecessary.		All potential expenditure should be subject to challenge by the Acting Headteacher to ensure that the School can demonstrate value for money and that funds have been utilised in a prudent manner, taking into consideration the Schools deficit budget.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.5.4 Medium	<p>The cardholders confirmed that other members of staff utilise their Purchase Cards.</p> <p>A record of this is not maintained.</p>	A signing in/out record needs to be maintained when other members of staff use the Purchase Cards to provide an audit trail of expenditure and to identify by who purchases were made.	Implemented
5.5.5 Medium	<p>All purchase card transactions are confirmed via a monthly statement received on the 3rd of each month. In order for SIMS to replicate the School Bank Statement, a cashbook journal should be undertaken on receipt of the Purchase Card Bank Statement.</p> <p>Examination of this area established that there are delays in the updating of SIMS Cashbook Journals with purchase card transactions.</p>	It should be ensured that cashbook journals are promptly undertaken on SIMS once the transaction log has been reconciled to the Purchase Card bank statements.	Implemented
5.5.6 Medium	<p>Bank statements are received monthly and are retained in the purchase card files.</p> <p>There is evidence on the bank statements of reconciliation, i.e. transactions are numbered to correspond to the receipt (where one is present), notes have been made alongside the transactions and transactions ticked.</p> <p>However, they are not signed and dated as confirmation as to who and when these reconciliations were undertaken.</p>	The bank statements should be signed and dated by the person carrying out the reconciliation as evidence of when and by whom this was carried out.	Implemented
5.6.1 High	<p>Requisitions are completed and signed by the budget holders, and are taken to the office to process. The order is then raised on SIMS and the SIMS orders are then signed by the budget holder.</p> <p>The following issues were noted in respect of the School's purchasing</p>	<p>To avoid additional work, invoices for non-orders e.g. utilities, should be paid via the purchase card where possible.</p> <p>If the School is unable to use the purchase</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>arrangements: -</p> <ul style="list-style-type: none"> • Requisitions were not always completed prior to being raised on SIMS, with an occasion noted whereby the budget holder had not authorised the SIMS order. • Orders were not always raised on SIMS prior to receipt of the subsequent goods/invoices even though a prior request would have been made, and are therefore treated as non-order invoices. • Occasions were identified whereby Delivery Notes showed no evidence of being checked to the order placed and also not signed or dated. • Invoices were not always being signed by an authorised budget holder prior to payment. • There were a large number of non-order invoices being processed via SIMS, whereby a prior request for purchase would not have been required. 	<p>card, and a prior request is known for goods / services, an order should be raised on SIMS in the first instance and authorised by the budget holder in accordance with the revised and updated School Financial Procedures as per 5.2.1.</p> <p>If an order was placed via telephone, an order should be raised as soon as possible thereafter.</p> <p>Once the goods / services are received, the delivery note should be checked against the original order to ensure that the goods received agree to what was originally ordered. The order and delivery note should demonstrate evidence of this check (e.g. items ticked) and the delivery note should be signed and dated by the person undertaking this check.</p>	
5.6.2 High	<p>The current list of cheque signatories is out of date and includes the previous Headteacher. Additionally, signatories are listed but do not have delegated authority to incur the school to expenditure (refer to 5.2.1).</p>	<p>Subject to the implementation of 5.2.1, the list of approved signatories should be updated.</p> <p>Once the panel of signatories has been updated as required, a copy of the bank mandate should be retained at the School for reference purposes.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.6.3 Medium	<p>A report of outstanding Purchase Orders was obtained from SIMS. This identified a large number of orders outstanding, some dating as far back as July 2016.</p> <p>This review has confirmed that pending orders are not routinely reviewed or chased up by the School. They are only pursued if / when the budget holder queries any outstanding items, or at the end of financial year when balancing SIMS.</p>	Pending orders should be reviewed on SIMS on a regular basis and a note made on the copy order to confirm the same. This will allow outstanding orders which are no longer required to be identified at an early stage and corrective action taken.	Implemented
5.6.4 Medium	<p>There are currently four leases at the School relating to alarms, two minibuses and photocopiers.</p> <p>The Business Manager stated that prior approval was not sought from Education Finance.</p>	Prior to renewing any of these leases and taking out future leases, authorisation should be obtained from Education Finance before entering into formal agreements.	Implemented
5.7.1 Medium	<p>The School Inventory was last updated in November 2016. On examination it was established that the inventory was not accurate, with items that were disposed of when the School relocated to the new building still recorded.</p> <p>It was also established that the inventory is not reviewed annually and is not produced using SIMS as required.</p>	<p>A full inventory should be compiled as soon as possible on SIMS. Thereafter, an annual review should be carried out to ensure that the record is accurate and up-to-date.</p> <p>Any new assets / disposals should be recorded on the inventory as and when they occur, with any disposals authorised by the Acting Headteacher, with evidence of these authorisations retained.</p>	31 December 2017
5.7.2 Medium	The School Business Manager confirmed that no log is maintained to document details of the equipment leaving the premises or being returned.	Where equipment is taken off site, a record should be maintained containing the date of removal, item of equipment, serial number, name of the person removing it and the date	31 December 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		it was returned.	

AUDIT NAME: YSGOL HEN FELIN

DATE FINAL REPORT WAS ISSUED: 25/10/2017

INTRODUCTION

Ysgol Hen Felin is one of four Special Schools in Rhondda Cynon Taf. They cater for children with moderate, severe, profound and multiple learning difficulties.

To advance the education of the pupils, the School provide educational and recreational facilities with the aim of furthering the educational and enhancing life skills required in the life of the pupils.

Ysgol Hen Felin was previously subject to an Internal Audit review in June 2016. Following the presentation of the final report to Audit Committee this follow-up review was requested, to ascertain whether recommendations made at the time have been successfully implemented.

SCOPE & OBJECTIVES

For the last review in 2016, all fundamental financial and governance systems in operation at the School were assessed. A follow-up was requested by the Council's Audit Committee.

This follow up review of Ysgol Hen Felin examined the actions taken by management since the recommendations made were agreed in September 2016.

AUDIT OPINION

The overall control environment in place at Ysgol Hen Felin has improved and is now considered to be effective with opportunity for improvement. It is acknowledged that improvements have been made in the financial administration at the School and that staff at the School have demonstrated a commitment to addressing the findings contained within in the 2016 audit report. However, further improvements are still required.

Safeguarding

The School has improved its administration of Educational Trips, with the appointed EVC now authorising all trips before they take place.

There are currently staff at the School who did not attend the Level 1 Safeguarding training in September 2016, resulting in there being staff working at the School that have not received up to date training in respect of Safeguarding.

A record is held at the School of staff who have been DBS checked.

School Private Fund

A new management committee and cheque signatories have been appointed for the School Private Fund, although it was found that two of the signatories are also the appointed fund auditors and therefore not independent. Bankings are now being made on a fortnightly basis via the secure cash collection service.

However, records maintained by teaching staff for trips/fundraising activities continue to be poor and not in line with requirements within the School Private Fund Regulations.

All other recommendations in respect of the School Private Fund have been implemented.

Purchasing

The School have developed a Financial Procedures document and whilst in the main this appears appropriate, it does not contain the delegated financial limits of the Executive Headteacher. Additionally, the document has not been presented to the Governing Body for ratification. The ordering process has improved since the previous audit review; however there is need for further improvement in regard to raising orders in the official order books and ensuring evidence is available to confirm goods received are checked to the subsequent invoice/delivery.

Data Security & Inventory

No full inventory check has been undertaken by the School since the previous review. The School should seek to collate this information to ensure that a whole School record of assets held is available.

All other recommendations, in respect to Budgetary Control, School Meals and Purchase Card have been implemented. Implementing the recommendations contained in the report will enhance the current levels of control.

SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that: <i>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</i></p> <p>Although it was established that Level 1 training was provided to the whole School in September 2016, it was noted that the caretaker and administrative staff at the School did not receive the training.</p>	Level 1 safeguarding training should be arranged for all members of staff who did not attend the training in September 2016.	Implemented
5.2.1 Medium	School Private Fund - two of the cheque signatories are also auditors of the account.	The School should appoint two new auditors to audit the School Private Fund who are independent of the running of the fund.	Implemented
5.2.2	Section 9.2C of the School Private Fund Regulations states that:	The School should establish a standard trip procedure with a suite of proformas to be	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
Medium	<p><i>'The trip organiser must maintain a record of all monies received. This should include the name, the amounts received, the date received and the date it was deposited with the Treasurer. This must be a permanent and legible record'.</i></p> <p>It was identified that whilst the Record Of Daily Income form for the School Private Fund is completed by the Fund Treasurer as and when income is received, there are inconsistencies between teachers as to the level of detail available for income they collect from pupils prior to the income being passed to the Fund Treasurer.</p> <p>A trip was sampled - Christmas Cinema Trip 2016 - whereby the two teachers who run the trip could not provide any records of income they collected.</p>	<p>used when organising and administering a trip.</p> <p>Teacher records should detail pupil name, amounts paid and dates of payment. It should also be evident when the income has been passed to the Treasurer for banking and that this has been done in a timely manner.</p> <p>When this income is handed over to the Treasurer, the Treasurer should ensure their Record Of Daily Income form is updated immediately.</p>	
5.2.3 Low	<p>Examinations found that the School purchase card had been used to purchase Easter Eggs (16/3/2017 - £100) on behalf of the PTA for pupils.</p> <p>The PTA subsequently reimbursed the £100 via a cheque into the School Private Fund. This amount still remains within the fund and has not been transferred to the School Budget.</p>	<p>No purchases should be made on behalf of the PTA using the School Budget.</p> <p>Any income due to the School Budget from the School Private Fund should be transferred to the appropriate account.</p>	Implemented
5.2.4 Low	<p>Examination of School Private Fund income from September 2016 to date established that income to be attributed to the School budget is being banked through the Private Fund i.e. 16/1/2017 - Bridgend CBC - £1,000.</p> <p>It was established that this amount is still held within the School Private</p>	<p>All income to be allocated to the School Budget should be paid directly into the School Budget Account.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	Fund and has not been transferred to the School Budget.		
5.3.1 High	<p>The School now has a Financial Procedures document in place.</p> <p>Whilst the procedures are considered to be comprehensive, it can be strengthened further by the inclusion of the delegated financial limits (spends and virements) of relevant staff at the School.</p> <p>Additionally, no evidence was available to confirm the Financial Procedures document has been presented to, and ratified by, the Governing Body.</p>	<p>The Executive Headteacher should ensure the Financial Procedures document is updated to reflect the delegated spending and virement limits.</p> <p>Once updated, this document should be presented to the Governing Body for approval.</p>	31 December 2017
5.3.2 Medium	<p>Whilst improvements have been made in the administration of the School's purchasing arrangements, the following issues were noted:</p> <ul style="list-style-type: none"> • On occasions, the School Clerk continues to raise a purchase order for a non-order invoice e.g. utilities. • Copy orders show no evidence of being checked to delivery notes/invoices. • Copy orders were not attached to the relevant invoice. 	<p>To avoid additional work, invoices for non-orders e.g. utilities, should be paid via the School purchase card where possible. If the School is unable to use the purchase card, there is no requirement to complete the Official Order Book for these types of invoices.</p> <p>Once the goods / services are received, the delivery note should be checked against the original order to ensure that the goods received agree to what was originally ordered. The order and delivery note should demonstrate evidence of this check (e.g. items ticked) and the delivery note should be signed and dated by the person undertaking this check.</p>	31 December 2017

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.4.1 Medium	There is no up to date Inventory at School.	A full School inventory review should be completed immediately. Any new assets / disposals should be recorded on the inventory as and when they occur.	31 December 2017