

Final Internal Audit Report

Beaumont Primary School

July 2022

Distribution: Head Teacher
Chair of Governors
School Business Manager
Director of Education
Finance Manager
Corporate Director Resources
Interim Corporate Director of Education and Youth Engagement
(Final only)

Assurance Level	Recommendations Made	
Substantial Assurance	Priority 1	0
	Priority 2	1
	Priority 3	2

Confidentiality and Disclosure Clause

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Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

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1. Introduction

- 1.1 Beaumont Primary School is a Primary School and at the time of audit there were 218 (as verified by the Headteacher) pupils attending. It had an expenditure budget of approximately £1,341,621 for 2021/22.
- 1.3 The fieldwork for this review was completed remotely in response to COVID-19. While our review and testing were performed remotely, we have been able to obtain all relevant documents required to complete the review.
- 1.4 The audit was undertaken as part of the agreed Internal Audit Plan for 2021/22 based on a risk assessment. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 2 Issue

A checklist of the various responsibilities and duties under current health and safety legislation (as these relate to the maintenance, statutory compliance and repair upkeep of school buildings) was reviewed as part of the audit. Whilst it was evidenced through completion of the checklist by the School that a good overall level of compliance was reported, some gaps were noted. **(Recommendation 2)**

Priority 3 recommendations are included under item 4 below.

Acknowledgement

We would like to thank the following members of staff for their time and contribution to this audit:

- Head Teacher
- School Business Manager
- Finance and Personnel Officer

3. Actions and Key Findings/Rationale

Audit Area: Health & Safety

Priority	Recommendation 2	Detailed Finding/Rationale
2	The identified gaps in the checklist of the various responsibilities and duties under current health and safety legislation should be addressed as soon as possible.	<p>Expected Control</p> <p>The Health & Safety at Work Act 1974, its subordinate legislation, The Regulatory Reform (Fire Safety) Order 2005, Control of Asbestos Regulations 2012 and other related legislation, place responsibilities on school governing bodies for the appropriate management of building-related risks.</p> <p>Issue/Finding</p> <p>A checklist of the various responsibilities and duties under current health and safety legislation (as these relate to the maintenance, statutory compliance and repair upkeep of school buildings) was reviewed as part of the audit. Whilst it was evidenced through completion of the checklist that the School has a good overall level of compliance, the following gaps were identified:</p> <ul style="list-style-type: none"> • A traffic management plan was not in place • Contractors who enter and work on the school premises were not provided with formal induction training • Copies of manufacturer’s instructions for all of the gas appliances the School owned were not retained • A register for all equipment (e.g., ladders) provided for working at height was not in place and maintained • There was no inspection regime for all equipment provided for working at height <p>Risk</p>

	Where gaps in the checklist of the various responsibilities and duties under current health and safety legislation are not addressed, there is an increased risk that harm could come to children and staff when present in the School grounds.		
Management Response	Agreed/Disagreed	Responsible Officer	Deadline
<p>Our goal in the school above all other considerations is the safeguarding of children. Equally the safety of all staff members (and parents, contractors, visitors on site) is absolutely in the forefront of any H&S consideration. Given the small size, structure and layout of the school we question 'an increased risk that harm could come to children and staff when present in the School grounds' as a result of 4 of the 5 issues raised but will respond to each specifically.</p> <p>1. We accept there might be some value to a traffic management plan as the school is situated on a bus route and inappropriate parking at drop off/collection time presents a potential risk to the safety of children and staff. However, we have no jurisdiction over the area outside of the school grounds and cannot enforce any actions. Nonetheless, we regularly draw parents' attention to the risks of their actions; the site manager patrols the area; we have signs recommending no parking etc. This is however not formalised into a written action plan. To encourage alternative options, we promote walking to school, cycling, scooting (and provide lock up facilities for both of these) which is formalised into a School Travel Plan.</p>			

In terms of on the school premises where we do have jurisdiction, we enforce strict procedures for vehicular access to the school's small car park which accommodates 16 cars (including 2 disabled spaces) used by some staff. The vehicle gates are locked from 8.30am for the rest of the day, with entry only possible by secure entry system, therefore restricting cars and deliveries in the school car park when children might be present. The school office staff manage this access.

2. All contractors are signed in/out at the school office. The majority of contractors who enter and work on the premises are regular visitors (due to our having SLA maintenance contracts with different companies), familiar with the school's layout. Where this is not the case the site manager accompanies them to discuss whatever is required. This is a small school; therefore, any contractor is either within immediate eyesight of a member of staff or within a matter of moments of being able to see a member of staff at all times. Therefore, it has never been felt that formal contractor induction training has any relevance or value.

3. As we advised on the H&S questionnaire the gas appliances (ovens, heating and water boiler) were fitted prior to the current site manager's employment in 2010. The lack of instruction manuals has never been queried since that time, including previous audits, when there might have been the likelihood of a member of staff responsible for either the administration or site

management knowing whether these had ever been retained when they were fitted as part of the building of the school by Croydon LA.

However, the ovens are professionally serviced annually under an SLA contract with BA Supplies, and they carry out any repairs required. The heating & water boiler likewise are annually serviced through an SLA with a professional contractor, Jayserv Ltd, for maintenance and repair. Therefore, the fact there are no instruction manuals feels somewhat irrelevant in that no member of staff would ever be required to do anything other than the professional kitchen staff to turn on/off the ovens daily and the site manager to alter the heating temperature settings as the weather requires.

4, A register for all equipment for working at height feels like an unnecessary piece of administration for 2 ladders (as detailed on the H&S questionnaire), one A-frame and one extendable ladder, which solely the site manager uses (infrequently) and maintains as required. However, if it is felt necessary of course we will introduce this document.

5. In every area of his work (whether for his own usage or other staff) the site manager highlights where equipment requires repair or replacement. As an experienced site manager of over 20 years, he is familiar with the requirement to risk assess work carried out in school. However, if a formalised inspection regime by an external company to validate his assessment of the 2

ladders is recommended, of course we will introduce this practice.

Internal Audit Comment

The School's comments above are noted. However, the requirements for each of the gaps are laid down in regulations, as follows:

Traffic management plan – the Workplace (Health, Safety & Welfare) Regulations 1992. (Please note that this will relate to traffic on the school premises and not outside it.)

Induction for Contractors who enter and work on the school premises - Management of Health & Safety at Work Regulations 1999, Regulations 11 & 12

Manufacturer Instructions for gas appliances - Gas (Installation & Use) Regulations 1998.

Register or ladders and inspection regime - Work at Height Regulations 2005.

4. Priority 3 Recommendations

Recommendation	Findings
<p>Procurement</p> <p>The School should ensure that all purchase orders are appropriately authorised in line with the School's Finance Policy before committing to purchases.</p> <p>Management Response:</p> <p>We absolutely recognise the risk identified that 'where purchase orders/internal requisition forms are not raised and authorised prior to purchases being made, there is a risk that the authorisation and commitment processes are by-passed which could result in inappropriate purchases and poor budgetary control'. However, we dispute that this is the case in Beaumont.</p> <p>Over the course of 2021-22 we processed 291 purchase orders. Where possible known annual costs, e.g. for SLAs, are uploaded at the beginning of the financial year, but otherwise we are very aware of the requirement for purchase orders to be raised in advance of actual purchase in line with our Finance Policy. We accept that occasionally this might not be possible e.g. where building-related emergencies arise over a school holiday period when the SBM who raises the PO is not in school; however, in every instance any purchases outside of the Finance Policy procedures would only arise after verbal agreement by the headteacher.</p> <p>Nonetheless it would be disingenuous to suggest that no exceptions can ever fall through the cracks.</p>	<p>The School's Finance Policy & Procedures, dated May 2020, under the heading 'D8 Use of written pre-numbered order forms' details that, '<i>Official, pre-numbered orders from the FMS system must be used for all goods and services except utilities, rents, rates and petty cash payments. Where urgency requires an oral order, these must be confirmed by a written order.</i>'</p> <p>Examination of the documentation held for a sample of 15 transactions (dated from 01/04/2021 to 31/03/2022) found in one instance that the purchase orders (POs) were dated after the corresponding invoices, namely for Sovereign Design Play Systems Ltd (Cheque No. 008958) – PO raised on 7 June 2021, invoice raised on 27 May 2021.</p> <p>Where purchase orders/internal requisition forms are not raised and authorised prior to purchases being made, there is a risk that the authorisation and commitment processes are by-passed which could result in inappropriate purchases and poor budgetary control.</p>

Recommendation	Findings
<p>Therefore, following this recommendation after the last School Internal Audit in 2018 it was agreed with the then headteacher that whenever such a situation arose, that supporting documentation would always be attached to the invoice/PO prior to payment before it was agreed by the headteacher to pay. You will be able to see from the paperwork uploaded onto Huddle that this was all supplied as part of the documentation requested by Mazars/Niall Jukes.</p> <p>To address the sample:-</p> <p>Sovereign Design Play Systems – The invoice referenced relates to the 80% balance payment for the running track which was laid during the summer half term break in 2021. The 20% deposit had been paid in the previous financial year at the end of March 21, therefore the cost to be allocated had been fully budgeted and was a known amount discussed and agreed by the governors in advance of this capital project. We accept that this balance payment should have been one of the POs raised at the beginning of the financial year.</p>	
<p>Information Governance</p> <p>The School should ensure that the ‘School’s Business Continuity Plan - September 2021’ is formally approved by the Full Governing Body (FGB).</p> <p>Management Response:</p> <p>The reason there was only an informal discussion between the SLT and Chair of Governors in Autumn 2021 about the Business Continuity Plan was due to</p>	<p>The School’s Business Continuity Plan was in place for 2021-2022. Although it was explained that the document was reviewed by the Senior Leadership Team (SLT) in discussion with the Chair of Governors informally each Autumn, it had not been presented as a formal document for scrutiny by the full Governing Body, (although the School Business Manager (SBM) confirmed it will be added as an agenda item at the next FGB meeting.</p>

Recommendation	Findings
<p>the fact that there were no changes in circumstance to affect any of the predetermined plans, processes, staffing numbers etc. The only relevant changes e.g. telephone numbers, contacts, relevant suppliers were purely administrative.</p> <p>The FGB has multiple important considerations to discuss at the end of each term, therefore their decision is to review those of the 115 held at whatever interval either as part of their statutory requirement or as established by the school, other than where there are changes to be proposed. To overload FGB meetings with administration is felt to detract from the purpose of their strategic role.</p> <p>However, as noted on your recommendation the headteacher agreed this will be added to the Autumn 22 FGB agenda</p>	

AUDIT TERMS OF REFERENCE

Beaumont Primary School – 2021/22

1. INTRODUCTION & BACKGROUND

1.1 This audit was undertaken as part of the Internal Audit Plan for 2021/22, as agreed by the Council’s Audit Committee.

2. AUDIT OBJECTIVES AND METHODOLOGY

2.1 To provide an independent and objective opinion on the degree to which the Council’s internal control environment supports and promotes the achievement of the Council’s objectives. The internal control environment comprises the policies, procedures and operations in place to:

- establish, and monitor the achievement of the service's objectives;
- identify, assess and manage the risks to achieving the services objectives;
- facilitate policy and decision making;
- ensure the economical, effective and efficient use of resources;
- ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- safeguard the service's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption; and
- ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

2.2 To confirm that management have controls in place to detect and vigorously, pursue, fraud, corruption, other irregularities, errors and poor value for money.

2.3 To confirm that appropriate management action has been taken to implement recommendations for change leading to improvement in performance and/ or control.

3. SCOPE

3.1 The audit included the following areas (and number of recommendations made):





Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Governance and Leadership	0	0	0
Budgetary Control & Monitoring	0	0	0
Payroll	0	0	0

Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Safeguarding	0	0	1
Procurement	0	0	0
Bank Accounts	0	0	0
Information Governance	0	0	1
Health and Safety	0	1	0
Income	0	0	0
Totals	0	1	2

Definitions for Audit Opinions and Recommendations

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk,
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to recommendations are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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