

# Final Internal Audit Report

## Heavers Farm Primary School

### May 2023

Distribution: Head Teacher  
Chair of Governors  
School Business Manager  
Corporate Director of Education and Youth Engagement Interim  
(Final only)  
Director of Education  
Interim Head of Finance - Education  
Corporate Director Resources and S151 Officer  
Director of Finance (Deputy S151)

Assurance Level	Recommendations Made	
Substantial Assurance	Priority 1	0
	Priority 2	1
	Priority 3	5

#### Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of London Borough of Croydon and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, re-interpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, re-interpretation, amendment and/or modification by any third party is entirely at their own risk.

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

Contents  
Page

## Executive Summary

1. Introduction	2
2. Key Issue	2

---

## Detailed Report

3. Actions and Key Findings/Rationale	3
4. Priority 3 Recommendations	5

## Appendices

1. Terms of Reference
2. Definitions for Audit Opinions and Recommendations
3. Statement of Responsibility

### 1. Introduction

- 1.1 Heavers Farm Primary School is a junior school based in London Borough of Croydon, which is federated with Selsdon Primary School, a school based in South Croydon. Heavers Farm has 484 pupils and an expenditure budget of £3,373,763.22 for the year 2022/23.
- 1.2 The most recent Ofsted inspection was in November 2016 and the School was awarded 'Good'.
- 1.3 The fieldwork for this review was completed remotely. We were able to obtain all relevant documents necessary for the fieldwork.
- 1.4 The audit was undertaken as part of the agreed Internal Audit Plan for 2022/23 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 Issues

The School was unable to evidence that fire emergency plans were exercised once per term. (**Issue 1**)

The 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:

- Executive Headteacher
- Senior Finance Officer

### 3. Actions and Key Findings/Rationale

#### Audit Area: Health and Safety

Priority	Recommendation 1	Detailed Finding/Rationale		
2	The School should ensure a fire logbook is in place, completed and held in an accessible location.	<p><b>Expected Control</b></p> <p>The Health &amp; 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><b>Issue/Finding</b></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, a gap was identified where the School's self-assessment response to the question '<i>Are emergency plans documented &amp; exercised once per term?</i>' which was '<i>Recorded in fire logbook</i>' could not be verified. We were informed by the Head Teacher that the site manager who was responsible for this had recently left his job and that the logbook could not be located.</p> <p><b>Risk</b></p> <p>Where the School does not have a current fire logbook accessible, there is an increased risk that emergency plans may not be carried out correctly which could lead to serious harm or injury to staff, pupils and visitors in the case of a fire.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The School has booked a fire risk assessment with City Fire and as part of this, a new record keeping		Agreed	Head of School	1 July 2023


Heavers Farm Primary School 2022-23

system is going to be put in place (including a fire logbook).

#### 4. Priority 3 Recommendations

Recommendation	Detailed Finding/Rationale
<p><b>2) Governance and Leadership - Termly Resource Committee Meetings</b></p> <p>The School should ensure that the Resources Committee meet at least once a term as per the approved internal ToR.</p> <p><b>School's Response</b></p> <p>Governors will ensure that the Resources Committee meets at least once a term.</p>	<p><b>Expected Control</b></p> <p>In the Terms of Reference (ToR) for the Resources Committee, it states that the Committee will meet as necessary, but at least once a term.</p> <p><b>Issue/Finding</b></p> <p>A review of the Resources Committee's minutes from the previous 12 months confirmed that a Resource Committee meeting was not held in the Spring 2022 term. Minutes from the June 2022 meeting stated that the January 2022 meeting was cancelled but did not provide a rationale for this. This resulted in a gap between October 2021 and June 2022 when the Resources Committee did not meet.</p> <p>This was, however, noted at the Spring meeting of the FGB, held in March 2022, which included coverage of the Finance responsibilities of the Resources Committee and also ratification of the School's Schools Financial Value Standard (SFVS).</p> <p><b>Risk</b></p> <p>Where the Resources Committee does not meet once a term, there is a risk that the School are non-compliant with the committee's ToR, leading to a risk that issues arising in the financial environment of the School are not identified and addressed in a timely manner.</p>
<p><b>3) Budgetary Control &amp; Monitoring - Submission of Approved Budget</b></p> <p>The School should ensure that the approved budget is submitted prior to the Council's pre-determined deadline.</p> <p><b>School's Response</b></p> <p>The School will ensure that the approved budget is submitted prior to the deadline of 1 May.</p>	<p><b>Expected Control</b></p> <p>Once the budget has been approved by the Full Governing Body (FGB), it should be submitted to the Local Authority by 1 May 2022.</p> <p><b>Issue/Finding</b></p> <p>The School submitted its approved budget to the Council on 3 May 2022, two days after the deadline despite having been approved by the FGB on 28 April 2022. It was however noted that 1 May was a Sunday and 2 May a bank holiday.</p> <p><b>Risk</b></p>

Recommendation	Detailed Finding/Rationale
<p><b>4) Budgetary Control &amp; Monitoring - Financial Management Competency</b></p> <p>The School should ensure that sufficient training in relation to financial competency (to address the skill matrix gaps) is provided to key Governors and staff.</p> <p><b><u>School's Response</u></b></p> <p>The chair of the Resources Committee will review the governor financial skills matrix and ensure that governors are directed to financial skills training, as needed.</p>	<p>Where budget plans demonstrating the School's intentions for expenditure in the current financial year are not submitted on a timely basis, there is a risk of non-compliance with Local Authority guidelines.</p> <p><b>Expected Control</b></p> <p>As per Q1 from the SFVS, the Governing Body and senior staff should have adequate financial skills among its members in the field of budget management.</p> <p><b>Issue/Finding</b></p> <p>The School provided a copy of the skills matrix for staff with financial decision-making responsibilities, which is used to self-assess staff financial skills. A review of the matrix identified that the 'Understands Statutory Financial Requirements' section scored the lowest of all categories. This was highlighted as a priority area on the Skills matrix, with the need for the provision of training highlighted as a required action. At the time of the audit, this training had not yet been provided.</p> <p>It should also be noted that the skills matrix for Governors included an average score for financial requirements.</p> <p><b>Risk</b></p> <p>Where those responsible for the governance of the School lack strong financial competency, there is a risk that the School will be ill equipped to identify and address any potential issues arising within the School's financial environment.</p>
<p><b>5) Safeguarding - Safeguarding Governor</b></p> <p>The School's website should be updated to reflect the current Safeguarding Governor.</p> <p><b><u>School's Response</u></b></p> <p>The school's website has been updated.</p>	<p><b>Expected Control</b></p> <p>The School is required to display the names and positions of the Safeguarding Leads, including the designated Safeguarding Governor, on the School's website to ensure pupils, staff and parents are aware of these.</p> <p><b>Issue/Finding</b></p> <p>Through a review of the Heavers Farm's Governors website, a discrepancy was noted between the Safeguarding Governor listed and the current Safeguarding Governor.</p>

Recommendation	Detailed Finding/Rationale
<p><a href="https://heaversfarm.com/about-us-2/governors/">https://heaversfarm.com/about-us-2/governors/</a></p>	<p><b>Risk</b></p> <p>Where the Nominated Safeguarding Governor is not clearly communicated to School stakeholders, there is a risk of individuals being unaware of who to contact if a safeguarding issue arises, resulting in mitigations being delayed.</p>
<p><b>6) Information Governance - Equipment Loan Form</b></p> <p>The School should ensure that the Equipment Loan form is reviewed and updated to include the following:</p> <ul style="list-style-type: none"> <li>- Duration of the loan</li> <li>- Receipt of returned machine.</li> </ul> <p>The School's IT Audit Report should also be updated to reflect this requirement.</p> <p><b><u>School's Response</u></b></p> <p>The equipment loan form has been updated and is being used with staff.</p> <div style="text-align: center;">  </div> <p>School Equipment Loan Form 2023.doc</p>	<p><b>Expected Control</b></p> <p>Teachers are required to sign 'equipment loan' forms to verify that they are aware of the terms and conditions of use and, on returning the laptops, these forms should evidence the receipt back into School of the machine.</p> <p><b>Issue/Finding</b></p> <p>The ICT Audit Report documents the process for loaning equipment. The details of the equipment loaned are entered onto an equipment loan form which is signed by the member of staff and the IT technician. However, there is no documented process on how returned machines are receipted or what to do if a leaver hasn't returned their machine.</p> <p>A review of the School's Equipment Loan form confirmed that the following information was not included:</p> <ul style="list-style-type: none"> <li>• Duration of the Loan; and</li> <li>• Receipt of returned machine.</li> </ul> <p><b>Risk</b></p> <p>Where there is no period of loan specified on the form and no requirement to receipt the return of machines, there is a risk that staff may not return their equipment at the end of their employment / need and that this may not be identified.</p>



## AUDIT TERMS OF REFERENCE

### Heavers Farm Primary School – 2022/23

#### **1. INTRODUCTION & BACKGROUND**

- 1.1 This audit was undertaken as part of the Internal Audit Plan for 2022/23, 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	1
Budgetary Control & Monitoring	0	0	2
Payroll	0	0	0
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
School Fund	0	0	0
<b>Totals</b>	<b>0</b>	<b>1</b>	<b>5</b>

## 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:

<b>Priority 1 (High)</b>	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
<b>Priority 2 (Medium)</b>	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
<b>Priority 3 (Low)</b>	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.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Registered office: Mazars, 30 Old Bailey, London, EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.