

Final Internal Audit Report

Winterbourne Junior Girls' School

February 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
Corporate Director Resources and S151 Officer

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

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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 Winterbourne Junior Girls’ School (the ‘School’) is a community school for girls in years 3 to 6. At the time of audit there were 258 pupils attending. The School has an expenditure budget of approximately £1,828,790 for 2022/23.
- 1.2 The most recent Ofsted inspection was in November 2017 and the school was awarded - ‘Good’ - for overall effectiveness.
- 1.3 The fieldwork for this review was completed remotely. We were able to obtain most relevant documents necessary for the fieldwork except we have not been able to test the following, ‘*Confirm any increase in Headteacher’s pay has been correctly applied.*’ We were not able to test this as the School had confidentiality concerns and so we were not provided with the Headteacher’s Performance Management Review Statement.
- 1.4 In addition, whilst the standard scope for a school audit includes the review of the School Fund, this was found to be not relevant to Winterbourne School as the School does not maintain such a fund.
- 1.5 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 Recommendations

Review of the Single Central Record found information relating to the DBS check and review dates were not fully recorded for three members of staff and four governors. **(Issue 1)**

Examination of the Hirer’s Agreement relating to the letting arrangement between the School and their sole hirer found that the agreement was last signed in March 2019 and no longer reflected current hire charges as per the School’s letting policy. **(Issue 2)**

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:

- Head Teacher
- School Business Manager
- Finance Assistant

3. Actions and Key Findings/Rationale

Audit Area: Payroll

Priority	Recommendation 1	Detailed Finding/Rationale
2	The School's Single Central Register should provide a complete record for DBS checks including the dates that update checks were completed and the dates the original DBS documents were reviewed.	<p>Expected Control</p> <p>Keeping Children Safe in Education 2022, published by the Department for Education states that, '<i>schools must maintain a single central record (SCR) of pre-appointment checks covering all staff. The SCR must indicate whether DBS checks have been carried out or certificates obtained, and the date on which each check was completed or certificate obtained.</i>'</p> <p>Under the School Governance (Constitution and Federations) (England) (Amendment) Regulations 2016, where a governor is elected or appointed on or after 1st April 2016 and does not hold an enhanced criminal record certificate, the governing body must apply for such a certificate in respect of that governor within 21 days after his or her appointment or election.</p> <p>Issue/Finding</p> <p>We were informed that an updated DBS check had been carried out on 2 September 2022 for one member of staff on the 'update service' list, however examination of the SCR found that this had not been recorded.</p> <p>Furthermore, we also noted the School had not recorded on the SCR the date in which the original DBS documents had been seen for one support staff, one teacher and four governors.</p> <p>Risk</p> <p>The School may not be aware of any potentially disqualifying circumstances in relation to current or potential staff and governors. This could lead to a heightened risk to children within the School and potential reputational damage.</p>

Management Response	Agreed/Disagreed	Responsible Officer	Deadline
<p>Whilst we note that the DBS check review date was not fully recorded, the actual DBS documents of the governors were presented and seen on Zoom, as the governor's meetings were held remotely because of the Covid pandemic.</p>	<p>Agreed</p>	<p>Head Teacher /SBM</p>	<p>Going forward</p>

Audit Area: Income

Priority	Recommendation 2	Detailed Finding/Rationale		
2	<p>Hirer's agreements should be signed and dated annually by all hirers.</p> <p>Charges should be brought in line with the current lettings policy.</p>	<p>Expected Control</p> <p>An up to date signed hirer agreement is in place with all School hirers and includes a list of fees and charges in line with those published in the School's letting policy.</p> <p>Issue/Finding</p> <p>Whilst the School's letting policy had been reviewed annually and was published on the School's website, examination of the hirer agreement between the School and their only hirer, Christ Embassy, found that it was most recently signed in March 2019 and had not been reviewed or re-signed since then. Therefore, the scale of charges on the hiring agreement was not aligned to that within the current lettings policy.</p> <p>Furthermore, we reviewed the lettings invoices for October, November and December 2021 and noted that charges did not clearly align with either the hiring agreement in place or the current lettings policy.</p> <p>Risk</p> <p>Where Hirer Agreements are not reviewed regularly, there is a risk that the terms and conditions of hire are not up to date and that rates charged may be out of date. Inadequate charges could result in a loss to the School.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>Even though Covid had an impact on reviewing the hirer's agreement with Christ Embassy, the School's letting policy is reviewed annually and uploaded to our website. The current review of our letting policy will be ratified at the next governors' meeting in November 2022, and then we will review the agreement with the hirer accordingly.</p>		Agreed	SBM	Immediately

4. Priority 3 Recommendations

Recommendation	Detailed Finding/Rationale
<p>3) Governance and Leadership</p> <p>The School should ensure the Terms of Reference for the School Business Committee includes the following:</p> <ul style="list-style-type: none"> • Authorised limits for expenditure • Disposal of assets <p>School's Response</p> <p>The responsibilities designated to the SBC and the authorised limits for expenditure and safeguarding of assets including write-offs and disposals are covered on our Finance Policy. Furthermore the template for ToR for School Business Committee of the School is provided by our HR provider Octavo partnership.</p>	<p>Expected Control</p> <p>According to SFVS Q2, the governing body should have a finance committee (or equivalent) with a clear and comprehensive terms of reference and a knowledgeable and experienced chair.</p> <p>Finding</p> <p>Whilst the School Business Committee has a Terms of Reference (ToR) in place, review of this noted that it does not clearly define the responsibilities designated to the committee in relation to setting the authorised limits for expenditure and the arrangements for disposal of assets.</p> <p>Risk</p> <p>Where delegated limits and other guidance regarding the activity of the School Business Committee is not set and approved by the Full Governing Body (FGB), there is a risk that expenditure is not authorised at an appropriate level and control over key financial systems is insufficient.</p>
<p>4) Governance and Leadership</p> <p>The School should ensure minutes are agreed and approved at the following meeting.</p> <p>School's Response</p> <p>Currently the minutes are approved by the committee chair and distributed to</p>	<p>Expected Control</p> <p>The ToR for the School Business Committee details that draft minutes must be approved by the committee chair within 14 days of the meeting and at least seven days before the FGB Meeting.</p> <p>Issue/Finding</p> <p>The minutes for the School Business Committee meeting in June 2022 had not been ratified at the time of the audit in October / November 2022.</p> <p>Risk</p>

Recommendation	Detailed Finding/Rationale
<p>all governors at least seven days before the full governing body meeting.</p> <p>Also committee meetings are agreed and approved at the following meeting.</p>	<p>Where School Business Committee minutes are not signed to confirm that these are a true and accurate record, there is a risk that errors or omissions may not be identified and unauthorised initiatives may be implemented.</p>
<p>5) Budgetary Control & Monitoring</p> <p>The SDP should be reviewed and approved by the Governing Body. This should be documented in meeting minutes.</p> <p>School's Response</p> <p>Our school SDP was approved by the Governing Body; however we will ensure it will be documented in meeting minutes</p>	<p>Expected Control</p> <p>The Governance Handbook (October 2020), published by the Department of Education requires that, 'the detail of all the actions that will drive school improvement should be contained in a separate school improvement plan (SIP).' This forms part of the Governing Body's core function of strategic leadership and should be approved by Governors on an annual basis.</p> <p>Issue/ Finding</p> <p>Whilst the School has a School Development Plan (SDP) in place, examination of FGB and School Business Committee minutes in the last 12 months could not evidence that the SDP had been formally approved by Governors.</p> <p>Risk</p> <p>Where approval of the SDP is not evidenced as approved by Governors, there is a risk that the SDP is no longer in line with the wishes of the Governing Body.</p>
<p>6) Payroll</p> <p>Future benchmarking exercises should be discussed with governors and, where appropriate, targets set to help improve performance.</p> <p>School's Response</p> <p>Agreed. Going forward the school will share the findings with full governing body for discussion.</p>	<p>Expected Control</p> <p>As per Q17 of the SFVS, the School should benchmark the size of its senior leadership team annually against that of similar schools.</p> <p>Issue/Finding</p> <p>A benchmarking exercise was completed in December 2021 assessing the size of the School's Senior Leadership Team against data released by the DfE. Comparison was made across five similar schools in the borough. However, the benchmarking exercise was not presented to the FGB for discussion.</p> <p>Risk</p>

Recommendation	Detailed Finding/Rationale
	<p>Where the School's benchmarking exercise is not presented to governors and specific targets are not set as a consequence of the exercise, there is a risk that the school does not improve its leadership composition which may affect performance.</p>
<p>7) Banking</p> <p>The School should continue to chase the Local Authority to ensure their bank mandate is up to date and only includes current staff members</p> <p><u>School's Response</u></p> <p>We have requested Croydon Finance several times to update the school bank mandate. We again completed all the removal forms in October 2022 and still chasing. As yet they have not updated it.</p>	<p>Expected Control</p> <p>The School has confirmation from the bank / Council regarding authorised signatories. The School should ensure that the signatories on their bank mandate are up to date.</p> <p>Issue/Finding</p> <p>Our review of the School's bank signatories obtained from the Council noted that two out of five bank signatories had not been withdrawn to reflect changes in staff responsibilities. Two members included in the current bank mandate are as follows:</p> <ul style="list-style-type: none"> • Casual Support Staff (Finance Advisor) • Co-opted Governor <p>We confirmed that on 5 October 2021, the School had completed the removal of signatories' sheet for the Co-opted Governor, who previously held a senior teacher role. However, the removal request had not been actioned by the Council and still remained on the bank signatories.</p> <p>Risk</p> <p>Where signatories of School's bank mandate are not reviewed and updated to reflect the latest changes, there is an increased risk of fraud and error potentially leading to financial loss.</p>

AUDIT TERMS OF REFERENCE

Winterbourne Junior Girls' 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	2
Budgetary Control & Monitoring	0	0	1
Payroll	0	1	1

Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Safeguarding	0	0	0
Procurement	0	0	0
Banking	0	0	1
Information Governance	0	0	0
Health and Safety	0	0	0
Income	0	1	0
School Fund	N/A	N/A	N/A
Totals	0	2	5

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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