

Final Internal Audit Report

St Mary's Roman Catholic High School

October 2024

Distribution: Headteacher
Chair of Governors
School Business Manger
Director Education
Corporate Director of Children, Young People and Education
Head of Finance
Director of Finance (Deputy S151 Officer)
Corporate Director of Resources and S151 Officer

Assurance Level	Recommendations	
Limited	Priority 1	6
	Priority 2	6
	Priority 3	6

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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 & BACKGROUND

- 1.1 This audit was undertaken as part of the Internal Audit Plan for 2023/24, as agreed by Croydon Council's (Council) Audit and Governance Committee.
- 1.2 St Mary's Catholic High School is a maintained secondary School with 562 students and had an expenditure budget of £5,536,995 for 2023/24. The School's last Ofsted inspection was in November 2021 where the School was awarded a 'good' rating.

2. KEY ISSUES

Priority 1 Issue

Examination of the New Starters report generated from the SIMS financial management system for the period 22 February 2023 to 21 February 2024 identified 28 starters. Examination of staff records for a sample of five of these starters identified that for two starters, with a start date of 4 December 2023 and 29 January 2024, 'Right to Work' checks were completed after their respective offers of employment. **(Issue 4)**

The records for a sample of five starters during the period 22 February 2023 to 21 February 2024 were examined and it was identified that for two starters the corresponding DBS check was completed after their respective start dates **(Issue 5)**.

Examination of the School's Single Central Record identified that 11 teachers and 14 support staff had not had their DBS checks renewed in the last three years. **(Issue 7)**

Review of the records for a sample of 15 transactions during the period 22 February 2023 to 22 February 2024 identified that for each transaction, segregation of duties was not completed between the goods received check and the invoice authorisation, with only one signatory provided to evidence both checks. **(Issue 9)**

Review of the records for a sample of 15 transactions during the period 22 February 2023 to 22 February 2024 identified two transactions, which were payments to self-employed individuals, where the School were unable to evidence a completed IR35 check (£800 and £5,000.00). **(Issue 10)**

The School confirmed that (at the time of audit in February 2024) an Information Asset Register was not in place. The School advised that they were working with Judicium Education to create an Information Asset Register. **(Issue 11)**

Priority 2 Issues

Review of the full Governing Body (FGB) meeting minutes for the period 22 February 2023 to 21 February 2024 identified that the FGB met twice over this period, with no meeting being held during the Summer Term. The School explained that a FGB meeting was held during July 2023, however they were unable to obtain a copy of the meeting minutes from the assigned clerk. **(Issue 1)**

Examination of the FGB meeting minutes from between 28 February 2023 and 28 February 2024 was unable to confirm that the following School policies had been annually reviewed and approved as required:

- Whistleblowing Policy; and
- Pay Policy. **(Issue 2)**

Internal Audit requested copies of the previous three-monthly budget monitoring reports (November 2023, December 2023, and January 2024) that were subject to Headteacher review. However, the School were unable to provide evidence that these reports were generated and reviewed.

The School Business Manager stated that a monthly cost centre report is generated from the SIMS financial management system, however this was not presented to the Headteacher for review. **(Issue 3).**

The records for a sample of five starters during the period 22 February 2023 to 21 February 2024 were examined and it was identified that for two starters, references were obtained by the School after their respective start dates. **(Issue 6)**

Review of the records for a sample of 15 transactions during the period 22 February 2023 to 22 February 2024 identified;

- For one transaction, the official purchase order was raised through the SIMS financial management system after the invoice was received by the School (£5,000); and
- For three transactions, the School were unable to evidence a copy of the corresponding official purchase order (£355.94, £800.00 and £2,174.29). **(Issue 8)**

The St Mary's Catholic High School Fund was last audited on 30 April 2021. The School advised that the management of the School Fund Account would now be taken over by the School Business Manager following the departure of the School Finance Officer. **(Issue 12)**

Priority 3 recommendation(s) is/are included under item 4 below.

3. Actions and Key Findings/Rationale

Control Area 1: Governance and Leadership

Priority	Recommendation 1	Detailed Finding/Rationale
2	The School should ensure that a copy of each Governing Body meeting minutes are obtained and retained centrally within the School office to prevent issues arising from staff turnover.	<p>Expected Control</p> <p>The School Governance (Roles Procedures and Allowances) (England) Regulations 2013 Paragraph 13 states “The clerk to the governing body (or the person appointed to act as clerk for the purpose of the meeting must ensure that minutes of the proceedings of a meeting of the governing body are drawn up and signed (subject to the approval of the governing body) by the chair at the next meeting.</p> <p>Subject to paragraph (3), the governing body must, as soon as reasonably practicable, make available for inspection by any interested person, a copy of:</p> <ul style="list-style-type: none"> a) The agenda for every meeting; b) The signed minutes of every such meeting; and c) Any report or other paper considered at any such meeting.” <p>Finding/Issue</p> <p>Examination of the FGB meeting minutes for the period 22 February 2023 to 21 February 2024 identified that the FGB only met twice over this period, with no meeting being held during the Summer Term.</p> <p>The School explained that a FGB meeting had been held during July 2023, however they were unable to obtain a copy of the meeting minutes from the previously assigned</p>

		<p>clerk. As the minutes were not obtained, these were not approved at the next FGB meeting.</p> <p>Risk</p> <p>Where the FGB does not undertake at least three meetings per academic year, with meetings held termly, there is a risk that the School are non-compliant with the School Governance (Roles Procedures and Allowance) Regulations 2013. This could lead to those tasked with the governance of the School having insufficient oversight and scrutiny of the School.</p>	
Management Response	Agreed/Disagreed	Responsible Officer	Deadline
<p>The school were able to present evidence that the meeting happened and was clerked by Croydon Education Partnership. The school was able to present evidence that follow up had happened for the meetings and safeguards put in place with the leadership of Governance services in Croydon Education Partnership.</p>	<p>Agreed</p>	<p>Headteacher</p>	<p>September 2024</p>

Priority	Recommendation 2	Detailed Finding/Rationale		
2	The School should ensure that the Whistleblowing Policy and Pay Policy are presented and approved at the next full Governing Body meeting. Approval should be documented within meeting minutes to evidence compliance. Subsequent policy approvals should be completed annually.	<p>Expected Control</p> <p>The School teachers' pay and conditions and guidance on school teachers' pay and conditions (2023) states that the Pay Policy should be reviewed annually, with this formally documented within meeting minutes to evidence compliance.</p> <p>Finding/Issue</p> <p>Examination of the FGB meeting minutes from between 28 February 2023 and 28 February 2024 confirmed that the following policies were not explicitly approved:</p> <ul style="list-style-type: none"> • Whistleblowing Policy; and • Pay Policy <p>Risk</p> <p>Where policy and procedure documents are not subject to annual review, there is a risk that information contained is outdated or inaccurate and does not align to the current practices of the School.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The school believe this to be a matter of accurate minuting and have reviewed this with governance services to ensure it is explicitly minuted in future meetings.		Agreed	School Business Manager Governance Service	December 2024

Control Area 2: Budget Planning, Monitoring and Reporting

Priority	Recommendation 3	Detailed Finding/Rationale		
2	The School should ensure that a monthly budget monitoring report is generated from the School's financial management system and presented to the Headteacher for oversight and approval. Evidence of the review should be documented to evidence compliance.	<p>Expected Control</p> <p>The School's Financial Policy and Procedures (2023) states that, "<i>budget monitoring involves producing monthly monitoring reports and drafting action plans to tackle any significant variances</i>".</p> <p>Finding/Issue</p> <p>Copies of the previous three-monthly budget monitoring reports (November 2023, December 2023, and January 2024) that were subject to Headteacher review were requested. However, the School were unable to provide evidence that these reports were generated and reviewed.</p> <p>The School Business Manager stated that a monthly cost centre report is generated from the SIMS financial management system, however this was not presented to the Headteacher for review.</p> <p>Risk</p> <p>Where monthly budget monitoring reports are not presented to the Headteacher for review, there is a risk that the Headteacher does not have sufficient oversight of the School's financial environment or has an opportunity to scrutinise the School's financial position.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline

<p>The school accept this is a matter of record keeping and have put measures in place. The school identified concerns and conducted a Business Management review with an external partner beginning in late 2022 and have been working on improvements to practice since then.</p>	<p>Agreed</p>	<p>Headteacher</p>	<p>September 2024</p>
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Control Area 3: Payroll

Priority	Recommendation 4	Detailed Finding/Rationale		
1	The School should ensure that a Right to Work check is completed for each new starter prior to their offers of employment being issued.	<p>Expected Control</p> <p>The UK Government’s Employer’s guide to right to work checks 2024 stated <i>“you must conduct a right to work check before you employ a person to ensure they are legally allowed to do the work in question for you”</i>.</p> <p>Finding/Issue</p> <p>Examination of the New Starters report generated from the SIMS financial management system for the period 22 February 2023 to 21 February 2024 identified 28 starters. Examination of staff records for a sample of five of these starters identified that for two starters, with a start date of 4 December 2023 and 29 January 2024, Right to Work checks were completed after their respective offers of employment.</p> <p>Risk</p> <p>Where an employee’s Right to Work in the UK is not evidenced prior to offers of employment being made, there is a risk of the School being subject to a fine from the UK Government of up to £60,000 (The Immigration (Employment of Adults Subject to Immigration Control) (Maximum Penalty) (Amendment) Order 2024).</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The school had identified risk as part of a Business management review in late 2022 and 2023. This led to the establishment of a new post of Assistant		Agreed	Assistant Business Manager	September 2024

business manager with a large focus on HR and recruitment. This post has been filed since 29/01/2024. New processes were put in place in line with Safer Recruitment training.

Priority	Recommendation 5	Detailed Finding/Rationale		
1	<p>The School should ensure that a DBS check is completed for each new starter prior to their corresponding employment start date.</p> <p>Where a DBS check cannot be received prior to the individual's start date, the School should ensure that a separate barred list check is undertaken and a risk assessment is completed to identify mitigating actions to be introduced.</p>	<p>Expected Control</p> <p>The 'Keeping Children Safe in Education 2023: Statutory Guidance for Schools and Colleges' states that <i>"Most staff in a school and those in colleges working with children will be engaging in regulated activity relating to children, in which case an enhanced DBS check which includes children's barred list information, will be required."</i></p> <p>Finding/Issue</p> <p>Examination of the New Starters report generated from the SIMS financial management system for the period 22 February 2023 to 21 February 2024 identified 28 starters. Examination of staff records for a sample of five of these starters identified that for two starters, with a start date of 30 August 2023 and 29 January 2024 the corresponding DBS check was completed after their respective start dates. Additionally, another new starters DBS check was completed on their first day, 4 December 2023.</p> <p>Examination of the School's Single Central Register found that a barred list check was not completed prior to the individual joining the School.</p> <p>Risk</p> <p>Where DBS checks are not applied for or renewed in a timely manner, there is a risk that the School will not be aware of changes in circumstances which may result in children being placed at risk.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline

<p>Where a DBS is not completed in time for start dates for operational reasons, usually transferring from agency to permanent, risk assessments are put in place. Risk mitigation includes full time supervision of staff, by DBS checked staff at all times whilst on site.</p> <p>A new post of Assistant Business Manager commencing on 29/01/204 was put in place to further strengthen recruitment practices.</p>	Agreed	Assistant Business Manager	September 2024
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Priority	Recommendation 6	Detailed Finding/Rationale		
2	The School should ensure that two references are obtained and retained through the corresponding staff files for each new starter prior to their offers of employment being issued.	<p>Expected Control</p> <p>The ‘Keeping Children Safe in Education 2023: Statutory Guidance for Schools and Colleges’ details that schools should obtain references before interview, where possible, as this allows any concerns raised to be explored further and taken up at interview.</p> <p>Finding/Issue</p> <p>Examination of the New Starters report generated from the SIMS financial management system for the period 22 February 2023 to 21 February 2024 identified 28 starters. Examination of staff records for a sample of five of these starters identified the following that for two starters, with a start date of 19 June 2023 and 30 August 2023, references were obtained by the School after their respective start dates.</p> <p>Risk</p> <p>Where the School does not receive two references prior to a members of staff’s start date, there is a risk that the School may be unaware of disqualifying factors highlighted from previous employers.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
A new post of Assistant Business Manager commencing on 29/01/204 was put in place to further strengthen recruitment practices. This includes		Agreed	Assistant Business Manager	September 2024

check lists to ensure references are received prior to employment starting.

Priority	Recommendation 7	Detailed Finding/Rationale		
1	<p>For the 11 teachers and 14 support staff identified, the School should ensure that an updated DBS check is obtained and recorded through the Single Central Register.</p> <p>The School should ensure that the Single Central Register is regularly reviewed to identify DBS checks which are due to reach the three years threshold and request an updated DBS check be completed.</p>	<p>Expected Control</p> <p>Disclosure and Barring Service (DBS) checks are only accurate on the day issued, becoming out of date immediately thereafter. Unless the 'DBS Update Service' is in place, all DBS checks (for staff and governors) should be periodically renewed. As a form of best practice, DBS checks should be renewed every three years.</p> <p>Finding/Issue</p> <p>The School maintains a Single Central Record which outlines DBS and Barred List Checks completed for both School Governors and staff members. Examination of the Single Central Record identified that 11 teachers and 14 support staff had not had their DBS checks renewed in the last three years.</p> <p>Risk</p> <p>Where DBS checks are not applied for or renewed in within three years, there is a risk that the School will not be aware of changes to an individual's circumstances which may result in children being placed at risk.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The school is moving all staff to the update service, and will review DBS at least annually online. The school will cover the annual cost to staff for this service.		Agreed	Assistant Business Manager	September 2024

Control Area 4: Procurement

Priority	Recommendation 8	Detailed Finding/Rationale
2	<p>The School should ensure an official purchase order is raised through the School’s financial management system prior to an order being raised with the relevant supplier.</p> <p>Each official purchase order should be appropriately approved in line with the School’s Financial Policy and Procedures (2023).</p>	<p>Expected Control</p> <p>The School’s Financial Policy and Procedures (2023) states that, “<i>official, pre-numbered orders from the FMS6 system must be used for all goods and services except utilities, rents, rates, payroll and HR support costs and petty cash payments.</i>”</p> <p>Finding/Issue</p> <p>Examination of the records for a sample of 15 transactions, during the period 22 February 2023 to 22 February 2024, identified:</p> <ul style="list-style-type: none"> • For one transaction, the official purchase order was raised through the SIMS financial management system after the invoice was received by the School (£5,000.00); and • For three transactions, the School were unable to provide a copy of the corresponding official purchase order (£355.94, £800 and £2,174.29). <p>Risk</p> <p>Where an official purchase order has not been raised through the School’s Financial Management System, there is a risk that the School has not demonstrated sufficiently robust financial controls or holds sufficient oversight of committed funds. This in turn could lead to the School undertaking inappropriate expenditure that is not for the benefit of the School.</p>

Management Response	Agreed/Disagreed	Responsible Officer	Deadline
<p>The school has undertaken a review of business manager services. There is a new School Business manager, and a new post of Assistant Business Manager to ensure there is better systems of record keeping and financial controls.</p>	<p>Agreed</p>	<p>School Business Manager</p>	<p>September 2024</p>

Priority	Recommendation 9	Detailed Finding/Rationale		
1	<p>The School should ensure that a goods/services received check is completed for each purchase by an officer independent to the approval of the corresponding official purchase order and invoice. Evidence of the goods/services check should be documented to evidence compliance.</p>	<p>Expected Control</p> <p>The Croydon Scheme for Financing Schools (2022) states that Schools should demonstrate sound systems of financial controls, including appropriate provisions for the division of duties. Officers checking goods received by the School should be independent of the person responsible for the administration of orders and payments.</p> <p>Finding/Issue</p> <p>Review of the records for a sample of 15 transactions during the period 22 February 2023 to 22 February 2024 identified that for each transaction, segregation of duties was not completed between the goods received check and the invoice authorisation, with only one signatory provided to evidence both checks. (£251.01, £355.94, £375.47, £510.37, £660, £800, £2,174.29, £2,275, £3,508.80, £4,214.01, £5,000, £5,950.80, £6,900, £9,144.48, and £15,287.71).</p> <p>Risk</p> <p>Where segregation of duties has not been evidenced for purchases, there is a risk that the School has not demonstrated sufficiently robust financial controls or holds sufficient oversight of committed funds. This in turn could lead to the School undertaking inappropriate expenditure that is not for the benefit of the School.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>The school identified several weakness in business practice and undertook an external</p>		<p>Agreed</p>	<p>School Business Manager</p>	<p>September 2024</p>

review which lead to the creation of a Director of Business Management for the school to over see the work of school business manager. This post was from 15/05/23 to 31/08/23. This lead to greater capacity for segregation of duties and monitoring. In a further change the structure has since changed with the creation of a an Assistant Business Manager, a finance assistant and a new school business manager allowing for greater controls and separation.

Priority	Recommendation 10	Detailed Finding/Rationale		
1	<p>The School should ensure the tax status of an individual is determined before issuing any payments. The check can be made through this link: https://www.gov.uk/guidance/check-employment-status-for-tax</p> <p>A copy of the completed check should be retained by the School to evidence compliance.</p>	<p>Expected Control</p> <p>HMRC guidance states that, “<i>whether someone is employed or self-employed depends upon the terms and conditions of the relevant engagement</i>” and that “<i>Where someone is determined to be employed, PAYE and NI deductions must be made at source</i>”. The IR35 Tool on the HMRC website should be used to determine an individual’s employment status.</p> <p>Finding/Issue</p> <p>Examination of the records for a sample of 15 transactions, during the period 22 February 2023 to 22 February 2024, identified two transactions, which were payments to self-employed individuals, where the School were unable to evidence a completed IR35 check (£800 and £5,000).</p> <p>Risk</p> <p>Where payments are made to individuals who are deemed to be employees by HMRC, without NI and PAYE deductions being made, there is a risk that the School will be held liable for the PAYE and NI for these payments and may be fined.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
This is noted for action with the new School Business Management Team.		Agreed	Assistant School Business Manager	September 2024

Control Area 6: Information Governance

Priority	Recommendation 11	Detailed Finding/Rationale		
1	<p>The School should continue to liaise with Judicium Education to create the information asset register, which outlines the following information:</p> <ul style="list-style-type: none"> • Types of information held by the School; • What information is used for; • Where information is stored; • Who information is shared with; • How long information is retained; and • How information is protected. 	<p>Expected Control</p> <p>The Information Commissioner’s Office (ICO) states that an organisation should, “<i>have an asset register that records assets, systems and applications used for processing or storing personal data across the organisation.</i>”</p> <p>Finding/Issue</p> <p>The School confirmed that (at the time of audit February 2024) an information asset register was not in place. The School advised that they had engaged with Judicium Education to create an Information Asset Register, however this was not in place at the time of the audit.</p> <p>Risk</p> <p>Where an information asset register is not in place, there is a risk that the School may not be fully aware of the information it holds. The School may also find it difficult to keep its information secure in accordance with the Data Protection Act 2018. This can potentially result in the loss of confidential information and legal action.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline

<p>The Assistant Business Manager Post, created on 29/01/24 covers the role of DPO. Work continues at pace with Judicium who conduct reviews and support to ensure best practice.</p>	<p>Agreed</p>	<p>Assistant School Business Manager</p>	<p>December 2024</p>
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Control Area 8: School Fund Accounting

Priority	Recommendation 12	Detailed Finding/Rationale		
2	The School should ensure that the School Fund is subject to an annual audit. A copy of the School Fund audit report should be presented to the full Governing Body for oversight and scrutiny. This should be documented within meeting minutes to evidence compliance.	<p>Expected Control</p> <p>The School’s Finance Policy and Procedures (2023) state that, “<i>the School Business Manager will present the audited accounts, the auditor’s certificate and a written report on the accounts to the Governing Body</i>”.</p> <p>Finding/Issue</p> <p>Examination of previous School Fund Account audited statements confirmed that the fund was last audited on 30 April 2021, and therefore had not been subject to review over the previous 12 months (from the time of audit in February 2024).</p> <p>The School advised that the management of the School Fund Account would now be taken over by the School Business Manager following the departure of the School Finance Officer.</p> <p>Risk</p> <p>Where the School Fund Account is not maintained or audited annually, there is a risk that errors or inappropriate use of the fund may not be highlighted in a timely manner. This in turn could lead to a delay in mitigating actions being raised.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The audit was not carried out despite management instruction. There is a new school business manager in place to		Agreed	School Business Manager	December 2024

ensure the audit is carried out and reported to governors at the end of each financial year.			
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4. Priority 3 Issues

Recommendation	Findings
<p><u>Control Area 1: Governance and Leadership</u></p> <p>The School should ensure that the Governor’s Register of Pecuniary Interests is published through the through the School’s website.</p> <p><u>School’s response</u></p> <p>The school will work with Croydon Education Partnership Governor services to ensure this is updated before the end of October 2024.</p> <p><u>Responsible Officer:</u></p> <p>Headteacher</p> <p><u>Deadline:</u></p> <p>October 2024</p>	<p>Expected Control</p> <p>The Croydon Scheme for Financing Schools states for “2.9 Register of business interests:” that, “Governing bodies shall maintain a register which lists for each member of the governing body, the head teacher and budget holders, any business interests they or any member of their immediate family have; details of any other educational establishments that they govern and any relationships between school staff and members of the governing body. The register is to be kept up to date with changes being made as they occur and by means of an annual review of entries. The register must be available for inspection by governors, staff, parents and the LA and the register should be published, for example on a publicly accessible website”.</p> <p>In addition, the Gov.uk guidance for Schools states that the relevant business and financial interests for each Governor or associated member should be published through the School’s website.</p> <p>Issue/Finding</p> <p>Internal Audit confirmed that the Register of Pecuniary interests, which detailed the business and financial interests for each Governor and associated member of the School, was not made available through the School’s website.</p> <p>Risk</p>

	<p>Where Register of Pecuniary Interest is not published through the School’s website, there is a risk that the School are non-compliant with both Gov.uk guidance and the Croydon Scheme for Financing Schools.</p>
<p><u>Control Area 2: Budget Planning, Monitoring and Reporting</u></p> <p>The School should ensure that the annual budget is approved by full Governing Body and submitted through the Croydon portal prior to the 1 May deadline.</p> <p><u>School’s response</u></p> <p>The School will ensure the School Business Manager uploads the report within the published time frame and as soon as practicable after the Governors have approved them.</p> <p><u>Responsible Officer:</u></p> <p>School Business Manager</p> <p><u>Deadline:</u></p> <p>May 2025</p>	<p>Expected Control</p> <p>The Croydon Scheme for Financing Schools (2022) states that “<i>Governing Bodies are responsible for agreeing an income and expenditure plan for the coming financial year. The approved signed plan must be submitted to Croydon Council by 1 May, in a format specified by the LA.</i>”</p> <p>Issue/Finding</p> <p>Internal Audit confirmed that the School’s budget was approved by the FGB on 27 March 2023 and was submitted through the Croydon portal dated 3 May 2023. Therefore, the School was non-compliant with the agreed Council deadline 1 May 2023.</p> <p>Risk</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>

Control Area 3: Staffing/Payroll

The School should ensure that the Senior Leadership Team benchmarking exercise is presented to the Governing Body for oversight and scrutiny, with this documented within meeting minutes to evidence compliance.

School's response

The school believes this to be a matter of minuting and will ensure it is addressed following discussions with the our Governance Services.

Responsible Officer:

Headteacher & School Business Manager

Deadline:

October 2024

Expected Control

The SFVS question 17 asks whether the School has undertaken an annual benchmark exercise to determine whether the SLT aligns with similar Schools with this formally documented to evidence compliance.

Finding/Issue

Internal Audit conducted a review of the FGB meeting minutes from 22 February 2023 and 22 February 2023 and confirmed that a benchmarking exercise regarding the structure of the School's Senior Leadership Team was not presented for scrutiny.

The School stated that while a benchmarking exercise was completed at the time of the audit (March 2024), this had not yet been presented to the Governing Body.

Risk

Where a benchmarking exercise is not completed and presented to the Governing Body for scrutiny, there is a risk that that the School is unaware of potential outliers in their financial environment compared to similar Schools and may potentially miss opportunities to reduce expenditure where they are overspending.

Control Area 3: Staffing/Payroll

The School should ensure that a monthly payroll report is generated and presented to the Headteacher for oversight and approval, with this documented to evidence compliance.

Expected Control

Payroll reports should be reviewed and signed by the Headteacher before the payment run to help ensure that payments made are appropriate and accurate. Checks should ensure that only persons employed at the School are paid and that the amounts paid are correct.

<p><u>School's response</u></p> <p>The New School Business Management Team Structure is in place with better systems for record keeping to ensure the evidence is retained to timely reviews of all procedures.</p> <p><u>Responsible Officer:</u></p> <p>School Business Manager</p> <p><u>Deadline:</u></p> <p>October 2024</p>	<p>Issue/Finding</p> <p>Examination of the School's payroll reports from the previous three months (November 2023, December 2023 and January 2024) found that the December 2023 payroll report was signed by the School Business Manager and Headteacher on the 14 February 2024.</p> <p>Risk</p> <p>Where the payroll reports are not reviewed by the Headteacher in a timely manner, there is a risk that errors or inconsistencies may not be identified and actioned. This in turn could lead to difficulties in recuperating overpayments, or reputational damage arising where staff have been underpaid.</p>
<p><u>Control Area 3: Staffing/Payroll</u></p> <p>The School should ensure that the Headteacher provides an acknowledgment response, which includes the agreed last day of employment, for each resignation letter received. Evidence of the acknowledgment should be retained to evidence compliance.</p> <p><u>School's response</u></p> <p>The template letter for leavers will be changed to ensure a date is specified. The New ASBM post to create better controls of HR should ensure better</p>	<p>Expected Control</p> <p>As a form of best practice, the School should have an appropriate framework in place to ensure that all terminations are necessary and processed in line with the relevant policies and procedures. The Headteacher should acknowledge resignations to confirm the leaving date and prevent misunderstandings.</p> <p>Finding/Issue</p> <p>Examination of the leavers report generated from the SIMS financial management system for the period 22 February 2023 to 21 February 2024 identified 22 leavers. Examination of staff records for a sample of these five leavers identified the following:</p>

record keeping of all letter to acknowledge resignation.

Responsible Officer:

School Business Manager

Deadline:

October 2024

- For four leavers, a leaving date was not outlined and agreed in the Headteacher’s response to the corresponding resignation letters; and
- For one leaver, Internal Audit were not provided with the Headteacher’s response to the leaver’s resignation letter.

Risk

Where Headteacher’s acknowledgement of resignation and confirmation of leaving date is not provided for employees terminating employment with the School, there is a risk that the actual leaving dates may be misunderstood.

Control Area 6: Information Governance

The School should review the current Data Protection Officer agreement with Judicium Education and request that a provision to report to the Governing Body is incorporated.

School’s response

This will be added to the work of the Resources committee and a standing agenda item listed.

Responsible Officer:

Assistant School Business Manager

Deadline:

December 2024

Expected Control

The School’s Data Protection Policy States that the School’s Data Protection Officer “*will provide an annual report of their activities directly to the governing board and, where relevant, report to the board their advice and recommendations on school data protection issues*”.

Issue/Finding

Internal Audit reviewed the outsourced Data Protection Officer agreement between the School and Judicium Education and found that it did not include a provision for reporting to the Governing Body.

Risk

Where the FGB are not informed of the Data Protection Officer’s recommendation, there is a risk that they will not be informed of potential improvements for the School’s approach to GDPR. The Governing Body are not informed of the Data Protection Officer’s recommendations for improving the School’s approach to GDPR.

AUDIT TERMS OF REFERENCE

St Mary's Catholic High School 2023/24

1. INTRODUCTION & BACKGROUND

- 1.1 This audit is being undertaken as part of the Internal Audit Plan for 2023/24, as agreed by the Council's Audit Committee.
- 1.2 We are adopting a hybrid approach with this audit initially being conducted remotely.

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

Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Governance and Leadership	0	2	1
Budget Planning, Monitoring and Reporting	0	1	1
Payroll	3	1	3
Procurement	2	1	0
Banking	0	0	0
Information Governance	1	0	1
Income	0	0	0
School Fund Accounting	0	1	0
Totals	6	6	6

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.

Appendix 3**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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