CROYDON

Final Internal Audit Report
Beaumont Primary School
May 2018

Distribution: Executive Head Teacher

Chair of Governors

Finance Officer

Executive Director, People (Final Only)

Director of Finance, Investment and Risk (Final Only)

Director of Education and Youth Engagement (Final Only)

Assurance Level		Recommendations Made	
Full Assurance	Direction of Travel from previous audit: Up from Substantial	Priority 1	0
		Priority 2	0
		Priority 3	3

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Appendices

1. Terms Of Reference
2. Definitions For Audit Opinions And Recommendations

1.   Introduction

1.1.   Beaumont Primary School is a Community School and at the time of audit there were 213 pupils attending. It has an expenditure budget of approximately £1.1m for the current financial year.

1.2.   The Ofsted report for the inspection of the School on 5 and 6 December 2017 rated the 'overall effectiveness' of the School as outstanding.

1.3.   The audit was undertaken as part of the agreed Internal Audit Plan for 2017/18 based on a risk assessment. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2.   Key Recommendations and Issues

2.1.   There were no key issue issues identified in the audit, although the priority 3 recommendations are included under item 3 below.

Acknowledgement

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

- Head Teacher
- Finance Officer

3. Priority 3 Recommendations

Recommendation	Findings
1) The New Governor Induction pack should include The Governance Handbook and a list of training available for Governors.	The DfE recommends that schools provide new governors with an induction pack that gives adequate guidance and that their roles and responsibilities have been explained. Examination of the New Governor Induction pack indicated that this did not include The Governance Handbook or a list of training available for Governors.
2) Management should ensure that orders are raised and appropriately certified in advance of purchases being initiated whenever possible.	Beaumont Primary School Finance Policy at section 3 states that, 'For all purchases the Finance Officer will raise a computerised, numbered and correctly coded purchase order.' Examination of the documentation relating to a sample of fifteen transactions identified that in one instance the order had been raised subsequent to the corresponding invoice being received by the School. This was for emergency work conducted during the summer holiday 2017 to repair flood damage on 23 February 2018 for £9,873.60.
3) The Executive Head Teacher should sign all equipment loan forms to evidence authorisation of the loans.	Examination of a sample of twenty laptop loan forms found that all of these had been signed appropriately, except one which had been signed by the borrower but had not been authorised by the Executive Head Teacher. Where the Executive Head Teacher does not authorise equipment loans, there is a risk that inappropriate loans might occur.

Agreed Terms of Reference

Beaumont Primary School – 2017/18

1. INTRODUCTION & BACKGROUND

1.1 This audit is being undertaken as part of the agreed Internal Audit Plan for 2017/18.

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	0
Payroll	0	0	0
Safeguarding	0	0	0
Procurement	0	0	1
Bank Accounts	0	0	0
Information Governance	0	0	1
Income	0	0	0
Health and Safety	0	0	0
School Fund	0	0	0

Beaumont Primary School 2017/18

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.

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