

Final Internal Audit Report Gilbert Scott Primary School February 2018

Distribution: Executive Head Teacher
Chair of Governors
School Business Manager
Director of Education and Youth Engagement
Executive Director, People (Final Only)
Director of Finance, Investment and Risk (Final Only)

Assurance Level		Recommendations Made	
Substantial Assurance	Direction of Travel from previous audit: No change from Substantial	Priority 1	0
		Priority 2	3
		Priority 3	2

Contents

Page

Executive Summary

1. Introduction.....	2
2. Key Issues.....	2

Detailed Report

3. Actions and Key Findings/Rationale	3
4. Priority 3 Recommendations.....	9

Appendices

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

1. Introduction

- 1.1. Gilbert Scott Primary School is a Community School and at the time of audit there were 225 pupils attending. It has an expenditure budget of approximately £1.8m for the current financial year.
- 1.2. 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

Priority 2 Recommendations

The minutes of the Resources Committee meeting held on 9 May 2017 had not been signed (**Rec 1**).

The DBS checks for two new governors were applied for more than 21 days after their appointment (**Rec 2**).

The School's Fire Risk Assessment contains four unacceptable risks, which have not been rectified (**Rec 3**).

The priority 3 recommendations are included 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

3. Actions and Key Findings/Rationale

Audit Area: Governance

Priority	Recommendation 1	Detailed Finding/Rationale
2	The minutes for the Resources Committee meeting held on 9 May 2017 should be reviewed and, if appropriate, agreed at the next Resources Committee meeting.	<p>Expected Control</p> <p>The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 Part 5 require that minutes of a proceedings of a governing body or committee are drawn up and are signed by the chair of the next meeting.</p> <p>Issue/Finding</p> <p>The minutes for the Resources Committee meeting held on 9 May 2017 were not signed by the Chair of the Committee. It was explained that the subsequent meeting scheduled for July 2017 had been cancelled and that the clerk had been unable to attend the meeting on 17 October 2017 (due to illness) and present the minutes for approval.</p> <p>Risk</p> <p>Where 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>
Management Response		
	The first formal meeting of the Resources Committee since the 9 th May 2017 was 23 January 2018 as the meeting scheduled for the 1 th July 2017 had been cancelled as had the Main Governors meeting for the 3 rd October. The Main Governors had been moved to the 17 th October which	<p>Agreed/Disagreed</p> <p>Agreed</p> <p>Responsible Officer</p> <p>Chair of the Resources Committee/Clerk</p> <p>Deadline</p> <p>Immediate</p>

CROYDON

replaced the Resources meeting planned for that date although some urgent financial business was transacted at the end of the board meeting and was minuted separately. The minutes of the 9th May and the impromptu meeting on the 17th October were submitted and signed by the chair as a correct record on 23rd January 2018. We can confirm that no errors or omissions were identified and no unauthorised initiatives implemented.

Audit Area: Payroll

Priority	Recommendation 2	Detailed Finding/Rationale		
2	DBS checks for new governors must be sought within 21 days of their appointment as a governor.	<p>Expected Control</p> <p>The School Governance (Constitution and Federations) (England) (Amendment) Regulations 2016 makes DBS checks mandatory for governors in maintained schools. It states '16A.—(1) Where a governor has been elected or appointed before 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 by 1st September 2016.</p> <p>(2) 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>Two governors were appointed since 1 April 2016, but their respective DBS checks were not applied for within 21 days as required. Both were appointed 1 February 2017, but their DBS checks were not applied for until 21 March 2017 (the completed DBS checks were dated 16 May 2017 and 27 March 2017 respectively).</p>	<p>Risk</p> <p>Where DBS renewals are not requested as required by Local Authority policy or by legislation, there is a risk that the school is in breach of its statutory duty and safeguarding measures are inadequate.</p>
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
At the time of the appointment of the two governors the School was not aware of the change in regulations – hence non-compliance. Once the school was made aware of this, measures were in place and the Governor who was appointed		Agreed	Head Teacher / School Business Manager	Immediate

CROYDON

subsequently had their DBS applied for within the 21-day limit.
The auditor was given evidence of this.

Audit Area: Health and Safety

Priority	Recommendation 3	Detailed Finding/Rationale
2	<p>The School should continue to liaise with the Council until all of the 'unacceptable risks' are appropriately resolved.</p> <p>Where appropriate action/s are not taken, the School should escalate this with the Director of Education and Youth Engagement until satisfactorily resolved.</p>	<p>Expected Control</p> <p>Schools are required to conduct fire Risk Assessments and keep these up-to-date. Based on the findings of the assessment, there is a duty of care to ensure that adequate and appropriate fire safety measures are in place to minimise the risk of injury or loss of life in the event of a fire.</p> <p>Issue/Finding</p> <p>The School's Fire Risk Assessment dated 22 June 2017 contains four unacceptable risks. We were informed that it is the Local Authority's responsibility to rectify these risks by bringing the fire doors up to the required safety standard; however, copies of e-mails from the Council to the School (dated September 2017) seen at the time of audit detail that the planned replacement of fire doors at the School had been suspended.</p> <p>Discussions with the Director of Education and Youth Engagement and the School Compliance and Monitoring Officer established that following the Grenfell disaster a complete review of the fire risk arrangements at schools was being carried out. They agreed to liaise with the School to ensure that the risks highlighted by the fire risk assessment were properly understood and managed.</p> <p>Risk</p> <p>The Government website states 'You could be fined or go to prison if you don't follow fire safety regulations. Minor penalties can be up to £5,000. Major penalties can have unlimited fines and up to 2 years in prison.'</p>
Management Response		
At time of audit we provided proof that a Fire Risk Assessment had recently been carried out and that all unacceptable risks attributable to the school had been completed. The outstanding unacceptable risks regarding the fire doors were the responsibility of the Local Authority and we provided		<p>Agreed/Disagreed</p> <p>Agreed</p> <p>Responsible Officer</p> <p>Head Teacher</p> <p>Deadline</p> <p>April 2018</p>

CROYDON

evidence to show the LA had suspended the work. They did not say they were not doing the work, so we did not feel that we needed to escalate this at this time. We therefore feel it is unreasonable to make a Recommendation against the school for an action that it out of our control and properly placed with the LA.

At the request of audit, the Local Authority plus a contractor from Mott McDonald visited the school beginning of February and did a survey of the fire doors. The outcome of this visit was that they would review the fire door situation after we have had the full Fire Risk Assessment of the school completed by the Local Authority (who are doing all Croydon schools) which is on 19th April 2018.

4. Priority 3 Recommendations

Recommendation	Findings
<p>1) The New Governor Induction pack should include the Croydon Scheme for Financing Schools, the Governance Handbook and a list of training available for Governors.</p> <p><u>Management Response:</u> You have advised that the Governor Induction pack does not include certain guidance. One of these is a list of training available for Governors.</p> <p>Governor services confirmed that in their pack to new governors they send details of all available training and links to the online portal so that new governors can book on to courses and how to complete online training. We have contacted our recently appointed new Governor and she confirmed that she received the training details from Octavo.</p> <p>Regarding The Scheme for Financing Schools and The Governance Handbook – both these are large documents and we will ensure that the link for these are on our Support for Governor documentation.</p>	<p>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.</p> <p>Examination of the New Governor Induction pack indicated that this did not include:</p> <ul style="list-style-type: none"> • The Scheme For Financing Schools, • The Governance Handbook, or • A list of training available for Governors.
<p>2) The Head Teacher should ensure that officers checking that the goods/services have been received sign delivery notes/invoices accordingly.</p>	<p>The Gilbert Scott Primary School 'Financial Policies and Procedures Manual, section D13 states that, 'The Administrative Assistant must check goods and services on receipt and match the order which should be annotated accordingly.'</p>

CROYDON

<p><u>Management Response:</u> We have now added the caretaker to our Scheme of Delegation enabling him to receive/sign and process deliveries.</p>	<p>In one out of fifteen cases the Caretaker had signed the delivery note. Where appropriate evidence of goods/services received checks is not retained, there is a risk that payments are made for goods and services that are not received.</p>
---	---

**Agreed Terms of Reference
Gilbert Scott 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	1	1

Budgetary Control & Monitoring	0	0	0
Payroll	0	1	0
Safeguarding	0	0	0
Procurement	0	0	1
Bank Accounts	0	0	0
Information Governance	0	0	0
Income	0	0	0
Health and Safety	0	1	0
School Fund	0	0	0

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.