

Final Internal Audit Report Rockmount Primary School February 2018

Distribution: Co-Head Teachers
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	
Substantial Assurance	Direction of Travel from previous audit: No change from Substantial	Priority 1	0
		Priority 2	2
		Priority 3	4

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1. Introduction

- 1.1. Rockmount Primary School is a Community School and at the time of audit there were 486 pupils attending. It has an expenditure budget of approximately £2.6m 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 DBS checks for three new governors were applied for more than 21 days after their appointment (Rec 1).

Goods or services received checks had been not been evidenced for 2 out of the 15 transactions sampled (Rec 2).

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
- Finance Officer

3. Actions and Key Findings/Rationale

Audit Area: Payroll

Priority	Recommendation 1	Detailed Finding/Rationale												
2	DBS checks for new governors must be applied for 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 details that, '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>Three governors were appointed since 1 April 2016, but their DBS checks were not applied for within 21 days as required.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Appointed on</th> <th>DBS Date</th> </tr> </thead> <tbody> <tr> <td>Governor 1</td> <td>11.07.17</td> <td>21.10.17</td> </tr> <tr> <td>Governor 2</td> <td>05.05.16</td> <td>19.10.17</td> </tr> <tr> <td>Governor 2</td> <td>11.07.17</td> <td>06.09.17</td> </tr> </tbody> </table> <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>	Name	Appointed on	DBS Date	Governor 1	11.07.17	21.10.17	Governor 2	05.05.16	19.10.17	Governor 2	11.07.17	06.09.17
Name	Appointed on	DBS Date												
Governor 1	11.07.17	21.10.17												
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Management Response	Agreed/Disagreed	Responsible Officer	Deadline
Agreement with Governing Body that new governors will not be appointed until DBS check is satisfactorily completed.	Agreed	Co- Headteachers and Chair of Governors	With immediate effect

Audit Area: Procurement

Priority	Recommendation 2	Detailed Finding/Rationale		
2	The Head Teacher should ensure that officers checking that the goods/services have been received sign delivery notes/invoices accordingly.	<p>Expected Control</p> <p>The Rockmount Primary School 'Financial Policies and Procedures Manual, section D13 states that, 'The Finance Officer must check goods and services on receipt match the order which should be annotated accordingly.'</p> <p>Issue/Finding</p> <p>Goods or services received checks were not evidenced for two of the sample of 15 transactions tested.</p> <p>Risk</p> <p>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>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>Recommendation relates to two invoices for building works/services.</p> <p>School will ensure that invoices are signed on completion of works or services.</p>		Agreed	Co-Headteachers and Finance Officer	With immediate effect

4. Priority 3 Recommendations

Recommendation	Findings
<p>1) The New Governor Induction pack should include the Croydon Scheme for Financing Schools.</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 the Croydon Council Scheme For Financing Schools.</p>
<p>2) Copies of documents obtained as part of the recruitment process 'right to work in the UK verification checks' should be marked 'original seen', signed and dated.</p>	<p>The advice on the Gov.uk website states that, 'You must check that a job applicant is allowed to work for you in the UK before you employ them. You must see the applicant's original documents. You must check that the documents are valid with the applicant present. You must make and keep copies of the documents and record the date you made the check. You could face a civil penalty if you employ an illegal worker and haven't carried out a correct right to work check.'</p> <p>A sample of three recent staff appointments was examined. Although evidence of 'right to work in the UK' checks in the form of copies of passports being retained was available, these documents were not marked 'Original seen' to confirm that the original copies of these were seen or signed and dated.</p>
<p>3) Evidence of occupational health checks having been undertaken should be obtained for all new staff before their start dates.</p>	<p>In line with the requirements of the Education (Health Standards) (England) Regulations 2003, all new staff should receive a Health Check from the Council's Medical Officer to check that they are fit to perform their required duties in their role. The document confirming the successful check is sent to the school and should be retained on file.</p> <p>Examination of the documentation held for a sample of three new starters was indicated that the required medical clearance had been obtained after the start date in one case [REDACTED].</p> <p>Where new staff do not receive a medical check prior to commencing employment, there is a risk that employees are not fit to carry out some specific roles. This could result in a loss of provision of services through long term illness and potentially a financial loss for the School.</p>

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4) The School should ensure its annual budget is submitted to the Council by the 1 May annually in order to comply with the Council's Scheme for Financing Schools.

In line with the Croydon Scheme for Financing Schools, (Section 2.3) the Governing Body is required to approve the school's annual budget and submit this to the Council by 1st May each year. This ensures effective, timely budget monitoring is undertaken by the Council for the school.

The School was unable to evidence that it had submitted its budget to Croydon Council by 1 May 2017. Liaison with the Schools Finance team determined that the 2017/18 budget was submitted on 9 May 2017.

Where the school's budget is not submitted to the Local Authority within the deadline, there is a risk that the Council cannot monitor the school's finances effectively.

**Agreed Terms of Reference
Rockmount 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	1
Payroll	0	1	2
Safeguarding	0	0	0
Procurement	0	1	0
Bank Accounts	0	0	0
Information Governance	0	0	0
Income	0	0	0
Health and Safety	0	0	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.