



FINAL INTERNAL AUDIT REPORT
EDUCATION CARE AND HEALTH SERVICES

PRE ACADEMY INTERNAL AUDIT OF FARNBOROUGH PRIMARY SCHOOL 2013-14

Issued to: Mrs P Farrow, Headteacher

Cc: Mr P Chandler, Chair of Governors
Schools Finance Team (Final report only)

Prepared by: Principal Auditor

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INTRODUCTION

1. This report sets out the results of our internal audit review of Farnborough Primary School carried out in quarter 4 of 2013/14. The school converted to academy status on the 01 December 2013.
2. The purpose of this visit is to identify any issues which need to be resolved prior to closure of the accounts.
3. The controls we expect to see in place are designed to minimise the school's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be corrected to assist overall effective operations.
4. The original scope of the audit was outlined to the school prior to the review. The period covered by this report is from 1 December 2012 to 30 November 2013.

AUDIT SCOPE

5. The scope of the audit was to review transactions for the period 1 December 2012 to 30 November 2013 and included payments, leases and contracts, payroll, bank reconciliations and the Commercial Transfer Agreement.

MANAGEMENT SUMMARY

6. While on site on 31/01/2014 audit reviewed leases and contracts, payroll records, bank reconciliations and the Commercial Transfer Agreement, which has now been signed by the Council, the governing body and the School's Academy Trust and there are no issues arising in these area.
7. The school uses The London Borough of Bromley providers for payroll services; therefore no actual auditing was required in this area as part of the closure process as this is covered by a corporate audit of payroll. However December 2013 payroll totals were checked and these were paid back to the LA as expected

8. The aged debtor report dated 03/02/14 showed one outstanding owing amount of £218.15 from Contractor A and the aged creditor report showed no outstanding financial liabilities owed by the school.
9. Audit selected a sample of 10 items of expenditure from the bank history report and identified that 3 cheque payments were made on 26/11/13 to Farnborough Primary School totalling £58,110.33, however there was no invoice documentation to support the expenditure as no actual goods or services were received. Financial Regulations 7.1.2 for Schools and Colleges states "Payments should normally only be made against official invoices received from suppliers, and not against statements, delivery notes etc" Further information confirmed that the finance committee had agreed at a meeting held on 22/10/13 to transfer these funds into a new bank account however this is not the outlined procedures in The Academies Act when closing school accounts or the guidance note on transfer of surplus and deficits. In order to adhere to the Act the school will need to repay these monies into the school's old bank account. The school confirmed on 05/03/14 that a cheque was deposited into the old Farnborough Primary School bank account that day.
10. It is the responsibility of the Local Authority [LA] to formally close the accounts and once all monies have been correctly accounted for, the LA will then arrange for surplus funds to be transferred to the new academy account within the agreed timescales.

SIGNIFICANT FINDINGS

11. None

ACKNOWLEDGEMENT

12. Audit would like to thank staff contacted during this review for their help and co-operation.