



FINAL INTERNAL AUDIT REPORT
EDUCATION, CARE AND HEALTH SERVICES

REVIEW OF BICKLEY PRIMARY SCHOOL AUDIT FOR 2015-6

Issued to: Tracey Mortimer-Brown, Chair of Governors
Jennifer Mayhew, Head Teacher

Cc: Scott Magee, Chair of Finance and General Purpose Committee
Schools Finance Team (Liberata)

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REVIEW OF BICKLEY PRIMARY SCHOOL AUDIT FOR 2015-6

INTRODUCTION

1. This report sets out the results of our systems based audit of Bickley Primary School Audit for 2015-6. The audit was carried out in quarter 4 as part of the programmed work specified in the 2015-16 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee.
2. 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.
3. The original scope of the audit was outlined in the Terms of Reference issued on 19th January 2016. The period covered by this report is from 22/01/2015 to 22/01/2016.

AUDIT SCOPE

4. The scope of the audit is detailed in the Terms of Reference.

MANAGEMENT SUMMARY

5. Controls were in place and working well in the areas of financial management information and financial reporting to governors, primary accounting documents, expenditure incurred, income received, voluntary funds held, payroll records and governance arrangements.

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6. However we would like to draw to Management's attention that a detailed contracts register is not held by the school.
7. Additionally for two lettings a lettings form could not be evidenced as being completed nor evidence that insurance was paid for the letting.

SIGNIFICANT FINDINGS (PRIORITY 1)

8. No significant findings were identified during the review.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

9. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised at Appendix B.

AUDIT OPINION

10. Overall, the conclusion of this audit was that Substantial Assurance can be placed on the effectiveness of the overall controls. Opinion definitions are given in Appendix C.

ACKNOWLEDGEMENT

11. We would like to thank all staff contacted during this review for their help and co-operation.

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
1	It was identified that a detailed contracts register containing the dates and duration of the contract, value, purpose, value, supplier and payment schedule is not held by the school.		Contracts may be let without following proper procedures and/or rolled over without proper approval.		A contract register should be held by the school showing details of all contracts, including the value, duration, purpose and current supplier. It should be reviewed by Governors to make sure contracts are appropriately renewed. [Priority 2]
2	Five items of invoiced income were checked. Four were lettings due to the lack of other income streams. The lettings policy was approved by the Governing Body in June 2015. For two of the lettings in our sample we could not see evidence that a lettings form had been completed. For those same two lettings, a charge for insurance, as specified in the lettings policy, had not been made. We could not find evidence that the hirers had their own insurance policy in place.		Income due to the school may not be collected. The school may not be covered for insurance purposes in the event of damage or theft to school premises and equipment.		Review the lettings arrangements to ensure that :- (i) a completed lettings form is in place for all hiring of school premises and this has been approved by the Headteacher, and

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
					(ii) evidence of the hirer's insurance cover is checked. Where the hirer does not have adequate insurance cover, an insurance charge is made as set out in the lettings policy. [Priority 2]
1	A contract register should be held by the school showing details of all contracts, including the value, duration, purpose and current supplier. It should be reviewed by Governors to make sure contracts are appropriately renewed.	2	A contract register with full details including value, duration, purpose and current supplier will be created. The governors will review this annually (June) and make sure that contracts are appropriately renewed.	Jo Hiscock – SBM Jen Mayhew – Head Teacher to ensure this is in place GB – review annually in June	1 st April 2016
2	Review the lettings arrangements to ensure that :- (i) a completed lettings form is in	2	Review lettings policy and procedures with Governing Body (March) Lettings diary completed with	Jen Mayhew – revision of Lettings Policy GB – agree policy	1 st April 2016

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>place for all hirings of school premises and this has been approved by the Headteacher, and</p> <p>(ii) evidence of the hirer's insurance cover is checked. Where the hirer does not have adequate insurance cover, an insurance charge is made as set out in the lettings policy.</p>		<p>check list Head Teacher to sign all lettings forms prior to the let SBM to ensure that insurance is charged or checks made with attached evidence of insurance cover provided by the hirer.</p>	<p>SMB – create lettings diary SBM to carry out checks and file documents with appropriate evidence</p>	

SCHOOLS OPINION DEFINITIONS

As a result of their audit work auditors should form an overall opinion on the extent that actual controls within the school provide reasonable assurance that significant risks are being managed. They grade the control system accordingly. Absolute assurance cannot be given as internal control systems, no matter how sophisticated, cannot prevent or detect all errors or irregularities.

Assurance Level

Definition

Full Assurance

There is a sound system of control designed to achieve all the system and school procedures objectives tested.

Substantial Assurance

While there is a basically sound system and procedures in place, there are weaknesses, which put some of these objectives at risk. It is possible to give substantial assurance even in circumstances where there may be a priority one recommendation that is not considered to be a fundamental control system weakness. Fundamental control systems are considered to be crucial to the overall integrity of the schools finances. Examples would include no regular bank reconciliation, non-compliance with legislation, substantial lack of documentation to support expenditure, inaccurate and untimely reporting to Governors, material income losses.

Limited Assurance

Weaknesses in the system of controls and procedures are such as to put the objectives at risk. This opinion is given in circumstances where there are priority one recommendations considered to be fundamental control system weaknesses and/or several priority two recommendations relating to control and procedural weaknesses.

No Assurance

Control is generally weak leaving the systems and procedures open to significant error or abuse.