

## Appendix 3G School Audits Revisited

### Purpose of these audits

To assess whether the actions agreed in the original audit have been implemented and are now effectively embedded into the day-to-day operation of the school.

### Original Objective

To assess whether individual schools have adequate and effective governance, information and asset management as well as financial management and reporting arrangements in place.

### Friars Primary School (now an academy)

### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test / Closed
5	2	3	9	N/A

### Summary Findings

The School had made limited progress in addressing the issues raised in the original report.

Apart from developing role descriptions for Governors, none of the other governance issues raised in the original report had been implemented. Therefore, Governors' had still to annually assess their performance, get the role descriptions and Whistleblowing Policy approved and obtain declaration of interests from a governor and member of staff.

Although a Records Management Policy had not been formally produced, some good practice guidelines were being used to direct this activity. Regular 'weeding' exercises were being undertaken at year-end. A Critical Incident Plan was in place. It still needed to be approved and tested.

Very little action had been taken to address the issues raised in the original report about maintaining good records of assets held and securing them effectively.

The School believed that its approach to planning and linking this to its financial resources was sufficient, therefore the recommendation align a three-year development plan, with a multi-year financial plan was not accepted.

Action had been taken to report benchmarking information to Governors, produce regular cash flow forecasts, check the accuracy and necessity of direct debit payments and ensure payments to individuals were made in accordance with HMRC's Employment Status Indicator.

The School still needed to:

- implement appropriate checks to ensure changes to and new supplier details were valid before they were processed
- develop a standard approach to managing contracts.

## Appendix 3G School Audits Revisited

### Hamstel Infants School (now an academy)

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test / Closed
12	0	0	1	N/A

#### Summary Findings

The school had made excellent progress in addressing the issues raised in the original report and therefore, strengthening its governance, information and asset management and financial management and reporting arrangements.

The panel involved with the procurement of the new cleaning contract, was going to review the performance of the current cleaning provider as part of the procurement exercise planned for this year. However the School still needed to define a contract management approach.

### Heycroft Primary School

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test / No longer applicable
24	6	8	9	4

#### Summary Findings

Overall, the School has made good progress in dealing with the actions agreed in the original report.

With regard to the School's governance arrangements, further work is required in order to:

- create an annual work programme for the Governing Body, detailing what items will go to which meeting
- create a Governing Body Forward Plan that enables it to delivery its Terms of Reference in compliance with the Scheme of Delegation
- ensure there is a regular assessment of its performance in delivering its terms of reference as well as periodic evaluation of whether the skill set of governors needs supplementing or developing
- introduce a more formal process to ensure the minutes of meetings and committees are always agreed and signed off
- include the need to declare interests as a standing item on Behaviour, Safety and Wellbeing Committee.

## Appendix 3G School Audits Revisited

Actions agreed relating to information and asset management have been substantially completed. Future tests of emergency plans need to be properly documented and action plans produced where opportunities to improve the arrangements are identified. Periodic reconciliations are also required of new purchases to the Asset Register.

Work is underway on the School's financial management and reporting arrangements in order to:

- compare teacher-to-pupil ratio information with benchmarking data and use this to assign workloads to members of staff
- create a more robust mechanism for recording when staff DBS checks are due and monitoring their renewal
- ensure that:
  - key documents are always presented to and approved by the Governing Body (e.g. the School Development Plan, the Schedule of Charges)
  - discussions/decisions are properly documented (e.g. the decision taken about Supply Teachers Insurance cover, authorising payments over a certain value)
  - bank reconciliations are periodically re-performed by the Headteacher.
- complete the BACS payment arrangements so the online banking facility can be used and compile a record of all current, signed direct debit instructions
- ensure there is a good understanding of the cumulative value of spend on goods and services, so that an appropriate competitive tendering exercise can be undertaken to ensure value for money is achieved
- develop and document an approach to letting and managing contracts in line with the requirements of Contract Procedure Rules

It has not been possible to retest that:

- leavers access to IT systems is reviewed regularly, as there had only been one since the audit which was dealt with appropriately
- the arrangements for on-line banking as this facility has yet to be activated

As the School does not loan equipment nor does it have any leases, these actions are no longer required.

### Hinguar Community Primary School (now an academy)

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	No longer relevant
8	1	8	8	1

## Appendix 3G School Audits Revisited

### Summary Findings

The School had strengthened the arrangements for recording declarations of interest. The revised Financial Regulations and the Scheme of Delegation still needed to be approved by the Governing Body. Its governance arrangements would be improved further once:

- the Governing Body annually assess and report on its own performance against its Terms of Reference
- a Role Description for Governors had been developed.

The processes for effectively managing and securing confidential, personal and sensitive information had been improved. The School then needed to complete 'weeding' exercises in line with the new Records Management Policy.

Very little progress had been made to address the issues identified with recording the School's assets and securing them effectively. This area needed further work.

To improve the financial management and reporting arrangements, the School needed to:

- align its three-year development plan, with a multi-year financial plan
- consolidate the three Schools Funds into one and then arrange for it to be audited
- develop a goods receipting process
- retain evidence that independent checks on requests to change supplier details have been undertaken and then, produce a report of them that is independently checked
- improve its processes for pursuing outstanding debts.

The School no longer has any contracts so the recommendation regarding developing a contract management approach was no longer relevant.

### Kingsdown Primary School

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test / Closed
4	4	2	6	N/A

### Summary Findings

The School has made reasonable progress in addressing some of the issues raised in the original report.

In order to complete the work on its governance arrangements, action is still required to:

- create a formal Terms of Reference for the School's Governing Body, and ratify them every two years, evidencing this through a formal minute

## Appendix 3G School Audits Revisited

- undertake an annual review of its performance in delivering its Terms of Reference and report on the results of this
- ensure the annual work plan reflects the Governing Body's Terms of Reference once it has been produced.

The Schools has not progressed the need to have a Records Management Policy nor does it regularly review the information it holds and destroy it securely. Its Business Continuity Plan still needs to be finalised.

The School's Asset Register still needs to be reconciled to purchases periodically and six monthly spot checks introduced to ensure it remains accurate and assets can be accounted for.

With regard to strengthening the Schools financial management and reporting arrangements:

- the Finance Manager is yet to explore whether a report from the School's Financial Management Information System can be produced of all changes made to supplier details. This should then be used by another senior member of staff or Governor to independently check changes made to suppliers
- a more formal, contract management approach still has to be defined and documented.

### Milton Hall Primary School

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test / Closed
5	2	2	3	N/A

#### Summary Findings

The School had made reasonable progress in addressing the issues raised in the original report.

With respect to its Governance arrangements, the only outstanding issue was for the Governing Body to approve the new member role descriptions, which was in hand.

In order to further strengthen its information and asset management arrangements, action is now being taken to:

- ensure equipment purchased is periodically reconciled to the assets recorded on the register
- approve the Loan of Equipment Policy and make some minor amendments to the documentation supporting this.

A decision will be made as to whether backing up data to "The Cloud" is a more robust business continuity arrangement, once the School has determined whether or not to move to Academy status.

The School is also in the process of:

## Appendix 3G School Audits Revisited

- producing a list of suppliers who need to submit a proper VAT invoice. Going forward, it will then record any chasing action taken in order to obtain a proper VAT invoice from these suppliers
- ensuring that details of the checks undertaken on the evidence provided to support whether all additions/changes to supplier details are genuine, is held on file in **all** cases.

It will also utilise the Consistent Reporting Framework data to assess sickness absence rates in future.

This will complete the work required on its financial management and reporting arrangements.

### Seabrook College

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	No longer relevant
8	2	3	4	3

#### Summary Findings

The College has made some progress in addressing the issues raised in the original report.

With its impending move to Academy status, some of the outstanding governance issues will not be pursued including:

- amending the Governing Body's Terms of Reference
- chasing unsigned copies of Governing Body and committee minutes
- reviewing whether the Chair of the Governing Body should also chairs the Resources and Pay Committees as this is being resolved.

Work is required to improve the College's asset management arrangements by:

- undertaking regular spot checks of assets and periodically reconciling new purchases to the Asset Register to ensure they are accurate and all accounted for
- updating the Asset Register System with details of assets' current condition, whether they has been loaned out or disposed of and their asset tag number.

The College needs to ensure that declarations of interest for all staff and governors with financial decision making authority are obtained regularly.

The College also needs to develop an Information Management and Data Retention Policy and supporting processes.

Financial management and reporting will be further improved once:

- arrangement are made for staff to certify that good or services were received in a good condition
- the exercise to clear out unused or invalid Direct Debits is completed

## Appendix 3G School Audits Revisited

- payroll reconciliations are independent reviewed
- signed contracts have been compiled in one place and contracts register has been produced.

### Sacred Heart Catholic Primary School

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test
12	3	3	4	1

#### Summary Findings

Overall, the School had made good progress in addressing the issues raised in the original report.

All the actions relating to the Governance aspect of the review had been fully addressed.

With regards to Information and Asset Management, there still needed to be better evidencing of what information has been destroyed and when as well as the reconciliation of new purchases to the Asset Register. Monthly spot checks of assets were planned to commence in February 2016. As no assets had been written off since the original audit, it was not possible to retest that the process for authorising this had been properly applied.

Further work was required to strengthen the School's Financial Management and Reporting arrangements.

The key areas the School still needed focus on included:

- arranging for audited private fund accounts to be presented annually to the Governing Body
- ensuring that proposed changes to supplier details are independently confirmed via a School instigated contact with a known company representative, as this is a high fraud risk area
- defining a contract management approach that clearly sets out roles, responsibilities and processes for managing contracts as well as the reporting arrangements to senior management and the governing body
- ensuring as part of the contract management approach, there is independent, documented sign off of all key stages in the contract letting process
- getting Board approval for income generating activities and their costs.

## Appendix 3G School Audits Revisited

### The Federation of Greenways Schools (now an academy)

#### Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Unable to test / Closed
5	2	6	7	N/A

#### Summary Findings

The School had made limited progress in addressing some of the issues raised in the original report.

In order to strengthen the School's governance arrangements:

- a more robust process needed to be established to ensure Governing Body minutes were signed promptly
- the reviews of the Sickness Absence Policy and the Recruitment and Retention of Staff Policy needed to be undertaken.

At the time of the audit, the School was awaiting the revised Asset Condition Survey from Southend-on-Sea Borough Council, which was delayed due to Council staffing issues. Therefore the Asset Management Plan could not be finalised nor could an annual programme for preventive maintenance of the School infrastructure be finalised.

However very little progress had been made to implement the remaining information and asset management actions and none had been fully implemented. Therefore:

- regular 'weeding' exercises of both electronic and hardcopy information still needed to be undertaken and responsibility for this allocated
- the Business Continuity Plan still needed testing
- the work underway to combine the two previous Asset Registers onto the new DNA" system and covertly and overtly mark assets needed to be completed
- spot checks were still to be undertaken to confirm the inventory remained accurate and all assets could be accounted for
- a new equipment issue procedure note needed to be produced and issued to staff.

The remaining areas requiring attention with regard to financial management and reporting include:

- checking payments made to individuals for supplies of services against the HMRC's Employment Status Indicator to identify whether National Insurance and PAYE deductions were applicable
- considering whether to introduce online banking and BACS payment systems
- producing a complete listing of all current Direct Debits so the School could ensure it had signed copies of them all
- improving the arrangements for checking and then independently validating that requests to change supplier details were genuine



## **Appendix 3G School Audits Revisited**

- providing documented evidence that key contractors performance had been reviewed and that they were delivering against the contractual requirements.