

**Skelton Primary School**  
**City of York Council**  
**Internal Audit Report 2017/18**

Headteacher: A Halley  
Date Issued: 12<sup>th</sup> June 2018  
Status: Final  
Reference: 15691/012

|                              | P1                    | P2       | P3       |
|------------------------------|-----------------------|----------|----------|
| <b>Actions</b>               | <b>0</b>              | <b>0</b> | <b>4</b> |
| <b>Overall Audit Opinion</b> | Substantial Assurance |          |          |

# Summary and Overall Conclusions

## Introduction

This audit was carried out on Monday 5th and Tuesday 6th February 2018 as part of the Internal Audit plan for Children, Education and Communities for 2017/18. Schools are audited in accordance with a detailed risk assessment.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to Governors, the Headteacher and management that procedures and controls in the areas listed below are working adequately and are well controlled.

The audit reviewed processes and transactions in the following areas:

- Governance and Financial Management
- System Reconciliation
- Banking Arrangements
- Contracts, Purchasing and Authorisation
- Income
- Capital and Property
- Extended Schools Provision
- Human Resources
- Payroll and Staff Costs
- School Meals
- Pupil Numbers
- School Fund
- Data Protection and Information technology
- Insurance and Risk Management
- Joint Use Facilities
- Inventories
- Safeguarding

## Key Findings

It was found that there were good procedures in place for financial management and governance at the school. Recommendations were made in relation to data protection procedures at the school, inventories and the maintenance of a register of gifts and hospitality.

## Overall Conclusions

The arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

# 1 Gifts and Hospitality

## Issue/Control Weakness

There is currently no Gifts and Hospitality register in place.

## Risk

Gifts may have been received that could influence purchasing decisions and Governors and staff at the school may be vulnerable to allegations of improper conduct in relation to the acceptance of gifts and hospitality.

## Findings

A Gifts and Hospitality Register has not been established in which details of any gifts or hospitality received can be recorded.

## Recommendation

A Register should be introduced to record any gifts and hospitality received. The register should be signed off on an annual basis. Guidance should be provided to staff about what must be recorded and how to conduct themselves in relation to gifts and hospitality they may receive.

## Agreed Action 1.1

A spreadsheet register of all donations/gifts was in place at the time of the audit, which was started in the 17/18 financial year and therefore only had 2 entries at the time of the audit. The register will be presented to Governors on an annual basis (starting at the FGB meeting in May 2018) to sign off at year end and a copy held and updated by the School Office as and when required.

### Priority

3

### Responsible Officer

Finance & Office Manager

### Timescale

May 2018

## 2 Data Breach Policy

### Issue/Control Weakness

The school does not currently have a Data Breach policy in place.

### Risk

The school may not be complying fully with the requirements under the Data Protection Act (DPA), Environmental Regulations (EIR) and Freedom of Information Act (FOIA) and statutory requirements may be breached.

### Findings

The school has not adopted a separate Data Breach Management policy. Procedures should be in place to ensure personal data breaches are correctly identified, investigated and reported in order to minimise the impact of a breach and comply with ICO requirements.

### Recommendation

It is recommended that a Data Breach policy should be formally adopted and approved by the schools Governing Body or incorporated in a revised data protection policy.

### Agreed Action 2.1

As part of GDPR preparations, the school has purchased a package of support from Veritau to assist with ensuring compliance by the end of May 2018. This support will include advice and guidance on the preparation of a new data policy for the school, to include dealing with data breaches. The new policy will be devised and in place ready for ratification by the Governing Body in July 2018.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

July 2018

### 3 Retention Schedule

#### Issue/Control Weakness

There is currently no Retention Schedule in place and no record of information destruction.

#### Risk

Information is kept for longer than is required in Data Protection legislation. Information is destroyed without record.

#### Findings

The school does not currently have a Retention Schedule in place. The school does not currently make a record of when sensitive or personal data is disposed of or destroyed.

#### Recommendation

The school should adopt a Retention Schedule along with a record of the destruction of sensitive or personal information. An IRMS Toolkit for schools including a retention schedule is available from the internet.

#### Agreed Action 3.1

The school is aware that some archived information is likely to have been kept for longer than required by legislation. The intention is to take advice from our Veritau Data Protection Officer, once in place and following a data audit. A retention schedule will then be devised as appropriate to the new demands of GDPR. Any disposal of records will be recorded and held with the retention schedule.

#### Priority

3

#### Responsible Officer

Headteacher

#### Timescale

September 2018

## 4 Inventory

### Issue/Control Weakness

There is currently no complete inventory in place.

### Risk

Inventory items may be lost or misappropriated. In event of theft, any insurance claim may be affected.

### Findings

The school has set up an electronic inventory but this is in the process of compilation and does not currently contain all the information required in an official inventory record. The inventory was previously maintained in a paper format.

### Recommendation

Relevant items held on the old inventory and any other items of equipment costing in excess of £100 or of a portable and attractive nature should be recorded in the inventory record. A check should take place to confirm that items held on any old inventory are still in school before they are added to the new record. An independent check should be undertaken on an annual basis. The person undertaking the check should sign and date the inventory.

### Agreed Action 4.1

The school's electronic inventory, which was created in February 2018, continues to be updated with new purchases. Any disposals will be recorded along with the reason why they are no longer held by school. Inventories from 2010 and 2012 have been checked against the new inventory to ensure that all items are listed and accounted for. The checking of the inventory is diarised for February 2019 and will be undertaken by different individuals who have responsibility for specific areas of the school. All checks will be signed and dated and updated on the electronic inventory.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

February 2019

# Audit Opinions and Priorities for Actions

## Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

| Opinion               | Assessment of internal control  |
|-----------------------|---|
| High Assurance        | Overall, very good management of risk. An effective control environment appears to be in operation.   |
| Substantial Assurance | Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.             |
| Reasonable Assurance  | Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.     |
| Limited Assurance     | Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.                   |
| No Assurance          | Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse. |

## Priorities for Actions

|            |  |
|------------|--|
| Priority 1 | A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.        |
| Priority 2 | A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management. |
| Priority 3 | The system objectives are not exposed to significant risk, but the issue merits attention by management.                                     |



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