

**St Wilfrid's RC Primary School**  
**City of York Council**  
**Internal Audit Report 2018/19**

Headteacher: J Conway  
Date Issued: 4<sup>th</sup> June 2019  
Status: Final  
Reference: 15691/011

|                              | P1                   | P2       | P3        |
|------------------------------|----------------------|----------|-----------|
| <b>Actions</b>               | <b>0</b>             | <b>0</b> | <b>10</b> |
| <b>Overall Audit Opinion</b> | Reasonable Assurance |          |           |

# Summary and Overall Conclusions

## Introduction

This audit was carried out on Tuesday 12th and Wednesday 13th June 2018 as part of the Internal Audit plan for Children, Education and Communities for 2018/19. 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

Overall procedures in many areas were good. Financial records were well maintained and procedures were in place to ensure accurate information is presented to Governors.

A number of recommendations were made in relation to the policies held by the school and ensuring compliance with legislation (Data Protection, Freedom of Information and Right to Work).

Additionally, procedures could be improved for recording staff sickness absence and return to work arrangements, protecting the school from liability in the event of an insurance claim and for ensuring best value through formally recording and monitoring the schools on-going contractual arrangements.

## **Overall Conclusions**

The arrangements for managing risk were satisfactory with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

## 01 Declarations of Interest

### Issue/Control Weakness

Declarations of interest for Governors are not currently published on the school website. A register of interests for all staff with responsibility for making purchasing decisions is not maintained.

### Risk

The requirements of the Constitution of Governing Bodies Statutory Guidance 2015, in relation to transparency, are currently not being met. Members of staff at the school may be in a position to influence the placing of contracts in which they have a personal interest and the school may be unable to fully account for purchasing decisions in the event of challenge.

### Findings

All Governors had completed a declaration of interest but the declarations were not published on the school's website.

A staff register of interests for all staff with permission in the Budget Management Policy to raise orders, and therefore commit expenditure, had not been completed.

### Recommendation

All Governors should have their declarations of interest published on the school website. Where there is a nil return, this should still be stated and published.

All staff with purchasing permissions in accordance with the school's Budget Management Policy should complete a declaration of interests.

### Agreed Action 1.1

Declarations of interest for governors were published on the school's website during the audit. The school will now adopt the same template for use in the Budget Management policy for staff declarations of interest.

**Priority**

3

**Responsible Officer**

School Business Manager

**Timescale**

Complete

## 02 Whistleblowing Policy

### Issue/Control Weakness

The latest available Whistleblowing Policy held in school was dated 2008.

### Risk

The policy is outdated and no longer meets requirements.

### Findings

The latest available Whistleblowing Policy held in school and published on the school's website is dated 2008.

### Recommendation

The Whistleblowing Policy should be updated and taken to the governing body for approval. Where policies do not require content updates, the date of the policy should still be updated to evidence review.

### Agreed Action 2.1

The policy has since been updated and adopted by the governing body in a meeting held in July 2018.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

Complete

## 03 Debt Management Policy

### Issue/Control Weakness

There is no formal Debt Management Policy in place.

### Risk

A consistent approach to arrears is not in operation and the school may not collect all income due.

### Findings

There were several parents with arrears of over £200 for non-payment of school meals. Of these parents, three also had further arrears, ranging between £100 and £400, relating to payments for extended school clubs. The school evidenced that these arrears were being chased and payment plans had been set up based on individual circumstances. However, there was no formal Debt Management Policy in place to assure parents and guardians that they are being treated fairly and equally in circumstances where they are in arrears.

### Recommendation

The school should adopt a formal Debt Management Policy outlining the processes taken when individuals are in arrears.

### Agreed Action 3.1

Debt Management Policy has since been formally adopted by the school and approved by governors.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

Complete

## 04 Schedule of Contracts

### Issue/Control Weakness

The school does not currently hold a schedule of contracts.

### Risk

Contracts are not monitored and renew automatically, meaning that the school does not receive value for money.

### Findings

The school does not currently hold a schedule of contracts. This should record all ongoing contractual arrangements at the school, the value of the contract, contract period, renewal date and notice period. The schedule should be cross referenced to contract documentation and used to plan review to ensure best value is obtained.

### Recommendation

The school should compile a schedule of contracts. The schedule should be presented to Governors on an annual basis.

### Agreed Action 4.1

Since the audit, the school has compiled a schedule of contracts that will be presented to governors each year.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

Complete

## 05 Insurance Certificates

### Issue/Control Weakness

One extended school provider was under insured and there was no system in place to monitor the value and validity of these insurance certificates or of insurance certificates for contractors directly commissioned by the school.

### Risk

Providers are not appropriately insured and the school may be liable in the event of a claim.

### Findings

One extended schools provider was found to have public liability insurance for £1 million, which does not meet the £5 million recommended coverage. There was also no formal process in place to ensure that service providers' insurance certificates are in date.

### Recommendation

The school should maintain a system whereby the insurances of service providers are checked and monitored for both value and validity. Where a provider's insurance is due for renewal and their services are still required by the school, the school should ensure that a copy of the renewal certificate is obtained.

### Agreed Action 5.1

The school will adopt a cover sheet that enables monitoring of insurances for extended school providers. This cover sheet will help in approaching providers before their insurance expires.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

30<sup>th</sup> April 2019

## 06 Recruitment Checks

### Issue/Control Weakness

DBS forms had been kept on staff files for longer than 6 months post-recruitment. Sufficient identification evidence to support Right to Work in the United Kingdom was not always on file.

### Risk

Failure to comply with Data Protection and Right to Work in the UK legislation may incur penalties.

### Findings

Overall, there was an inconsistent filing system in place for staff personnel files and not all staff had a complete file held in one place. A review of recent recruitment checks identified instances where DBS forms had been kept on staff files for longer than 6 months post-recruitment. In one case there was insufficient identification evidence to support Right to Work in the United Kingdom.

### Recommendation

The school should ensure that there is a system in place that allows personnel files to be monitored to ensure that documentation is not being incorrectly retained. DBS forms should not be kept for more than 6 months after recruitment. Documentation to support each member of staff's Right to Work in the UK should be kept in their personnel file throughout their employment.

### Agreed Action 6.1

A file review will take place to ensure that only the correct information is retained in personnel files. In addition, a file checklist will be adopted to enable review of file contents going forward.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

30<sup>th</sup> April 2019

## 07 Staff Absence

### Issue/Control Weakness

Return to Work interviews were not taking place for all cases of sickness absence and documentation to support return to work arrangements was not in place.

### Risk

Failure to comply with HR Policy.

### Findings

Return to Work interviews were not taking place for all cases of sickness absence and there were also multiple gaps in self-certification documentation. For a recent phased return, there was no signed documentation in place to support the return. Therefore, a more formal approach is needed to ensure that future phased returns are documented.

The school's incomplete return to work interviews and phased return procedures mean that it would be difficult to defend a claim made by an employee who has not signed documentation when returning to work following a period of absence. Gaps in self-certification may also make it difficult to monitor absence triggers for staff.

### Recommendation

For every absence, Return to Work interviews should be undertaken and documentation completed. These forms should be signed by both the employee returning to work and the head teacher.

For instances of a phased return to work, signed documentation should be maintained throughout this to evidence the process. Where there are delays in self-certification documents, these should be chased to ensure complete staff absence records.

### Agreed Action 7.1

A more formal procedure will be adopted to ensure that return to work interviews take place following all instances of absence.

Where phased returns occur, signed documentation will be maintained throughout the return to work to document the process between the Head and the member of staff returning to work.

**Priority**

3

**Responsible Officer**

Headteacher

**Timescale**

Complete

## 08 School Fund Payment Signatories

### Issue/Control Weakness

Payments being made using the school fund are not signed to evidence authorisation.

### Risk

Unauthorised payments are made using the school fund account.

### Findings

The school is not currently evidencing authorisation for payments being made from the school fund. Payments are made against invoices or a record of donations but no authorising signatures were seen.

### Recommendation

Although the school fund is not money controlled by the authority, it is advised that the school obtain the signatures of two separate members of staff when a payment is made using this account. It is advised that these would normally be the cheque signatories.

### Agreed Action 8.1

Our school fund account now requires two signatures for payment and is part of a three person check. A full paper trail is in place and the fund is independently audited annually.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

Complete

## 09 Data Protection Policies & Publication Scheme

### Issue/Control Weakness

The school does not have a policy or written guidance regarding data breaches or a current Data Protection and Information Policy.  
The school has not adopted the ICO model Publication Scheme.

### Risk

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

### Findings

The school does not have an up-to-date Data Protection and Information Policy or a Data Breach Management Policy.  
The Publication Scheme currently used by the school is not the model ICO scheme which should be adopted alongside the completed Guide to Information.

### Recommendation

A Data and Information Policy should be formally adopted and approved by the schools Governing Body. A Data Breach Management Policy should also be formally adopted and approved by the schools Governing Body or incorporated into a revised Data Protection Policy.  
The ICO Publication Scheme alongside the guide to information (available on the ICO website) should be formally adopted and approved by the schools Governing Body. This should be published on the school website.

### Agreed Action 9.1

The school now have a Data Protection and Information Policy in place. The school has also adopted an Information Security Incident Policy to provide coverage of data breaches.

The Model Publication Scheme was marked for renewal by the previous SBM for Summer 2018. This was subsequently updated immediately and approved by Governor's at the July FGB meeting.

The school will now ensure that this policy, along with the supplementary guide to information, is published on the website.

**Priority**

3

**Responsible Officer**

School Business Manager

**Timescale**

30<sup>th</sup> April 2019

## 10 Retention Schedule and Destruction of Information

### Issue/Control Weakness

The school is not monitoring what information is being destroyed in line with retention guidance.

### Risk

The school is not aware of what information has been destroyed. Information may be kept for longer than is required in Data Protection legislation.

### Findings

The school does currently use a version of the IRMS Retention Schedule; however records of the destruction of documents are not being kept.

### Recommendation

The school should ensure that they are using the latest version of the IRMS Retention Schedule. The school should also adopt a method of recording the destruction of information to ensure that they are aware of what information is currently being held.

### Agreed Action 10.1

The school now stringently follows the IRMS retention schedule. The school will now adopt a record of destruction.

**Priority**

3

**Responsible Officer**

School Business  
Manager

**Timescale**

30<sup>th</sup> April 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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