

Agenda Item

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Report Status

For information/note
For consultation & views
For decision

The Children's Service

Report to Haringey Schools Forum – 27 February 2020

Report Title: The 2020/21 internal audit programme for schools

Author: Head of Audit and Risk Management

Purpose:

To advise the Schools Forum of the programme of internal audit work to be undertaken in 2020/21.

Recommendations

1. That the Schools Forum note the planned programme of internal audit work for 2020/21 (Appendix A).

1. Background

- 1.1 The Council's Corporate Finance service issued the Schools Finance Manual to all schools in 2007. The Manual sets out the financial regulations and procedures that schools should follow and covers all key financial and non-financial processes. Whilst some of the content has been superseded, the principles of the financial and non-financial processes and procedures remain valid, including e.g. budgetary control, income and expenditure systems, recruitment and asset management.
- 1.2 In recent months, updated guidance on some areas has been issued by Education Finance and it is planned that all areas of the Finance Manual will be covered with revised guidance by April 2020
- 1.3 In addition, Corporate Finance provides regular guidance and information to all schools in respect of the key financial and non-financial processes at schools.
- 1.4 Internal Audit undertakes a programme of school audit reviews to ensure that schools are complying with the requirements of the formal instructions and the risks associated with the key financial and non-financial processes are appropriately managed.
- 1.5 Internal audit are not required to audit the School Financial Value Standard (SFVS), where schools undertake a self-assessment of, or provide an opinion of schools' compliance with this

standard. However, the programme of routine audit work should assist schools in providing appropriate assurance to Governing Bodies for the SFVS.

1.6 Internal Audit previously circulated the audit test programme to all schools, via the Schools Bulletin and following each annual pre-audit workshop session. This should not be seen as an exhaustive programme as Internal Audit may undertake additional work or testing if control weaknesses, or compliance issues, are identified during the audit visit. However, ensuring that key processes and controls are in place, should assist schools to prepare for an audit visit.

2. Internal Audit schools audit programme 2020/21

2.1 Internal Audit will continue with a programme of audit work for schools in 2020/21 and the planned programme of audit visits is attached at Appendix A.

2.2 The programme is based on an analysis of the risks, together with a cyclical element to ensure that all schools are visited within an agreed period (maximum every four years). Included in the list for 2020/21 are some schools which received a 'limited', or 'nil', assurance rating so their audit cycle will be less than four years.

2.3 Internal Audit will liaise with the Head Teachers to arrange a mutually convenient time for the audit visit to take place. As is current practice, formal confirmation of the date, together with the areas to be reviewed, audit approach, and documents required for the audit will be provided to the school in advance via email.

2.4 The confirmation will usually be made via email at least 4 weeks prior to the audit visit. One week prior to the agreed date, Internal Audit will re-confirm the audit visit with the school.

3. Assurance outcomes for previous years' audit programme

3.1 This report summarises the overall outcomes and assurance levels provided to individual schools from 2016/17 to 2019/20. Table 1 below summarises the outcomes for the previous four financial years of all internal audits completed.

Table 1

	Number of audits completed/ planned	Substantial Assurance Rating	Adequate Assurance Rating**	Limited Assurance Rating	Nil Assurance Rating
2015/16					
Primary Schools (incl. nursery/special)	12	8		4	0
Secondary Schools	1	1		0	0
Sub-total	13	9		4	0
2016/17					
Primary Schools (incl. nursery/special)	21	8		10	3
Secondary Schools	3	2		1	0
Sub-total	24	10		11	3
2017/18					
Primary Schools (incl. nursery/special)	18	8		8	2
Secondary Schools	1	1		0	0
Sub-total	19	9		8	2

2018/19*					
Primary Schools (incl. nursery/special)	12	8		4	0
Secondary Schools	1	1		0	0
Sub-total	13	9		4	
2019/20					
Primary Schools (incl. nursery/special)	16	1	10	3	2
Secondary Schools	1	1	0	0	0
Sub-total	17	2	10	3	2
Total	86	39	10	30	7

* audit programme of work still in progress – at the time of writing four schools audits for 2019/20 are still in progress and a draft report has yet to be issued and two schools reports were still at draft
 ** in 2019/20 we added a new assurance rating of adequate assurance

3.2 The 2019/20 audit programme has yet to be completed and a further update on the final position will be provided to the Schools Forum later in the year. However, the Schools Forum will note the number and proportion of schools receiving a ‘limited’ or “nil” level of assurance at this stage of the year has remain generally at the level of last year. While there has been on-going improvement we may have reached a point where we have identified a rump of schools who may need additional support to improve. This may just be that the cycle this year has covered schools receiving less positive outcomes in previous years.

4. Reporting and escalation processes (agreed 2015/16)

4.1 The Children’s Service was concerned with the outcomes of the follow up programme following the outcome report to the Schools Forum meeting in July 2015 which advised that 28 out of 58 High Priority (Priority 1) recommendations remained outstanding at the time of the follow up visit. The Council’s Corporate Committee also requested action be taken to address the situation.

4.2 As a result, the then Interim Assistant Director – Schools and Learning presented a report to the Corporate Committee in November 2015. The report confirmed that the Children’s Service and Internal Audit would continue to support schools, but set out the steps that would be taken: firstly, to ensure that audit reports were provided as a matter of routine to each Chair of Governors; and secondly the escalation process that would be followed if schools did not provide an appropriate response to the audit recommendations. The escalation process was circulated to all schools following approval at Corporate Committee.

4.3 Since its implementation, the escalation process has not been used as agreement has been reached between schools and internal audit; however, the option to use the escalation process in the future will be retained. The Council’s Corporate Committee also requested action be taken to address the situation. We have also seen a reduction in the level of outstanding recommendation during follow up visits.

5. Training for School staff and Governors

5.1 In addition to circulating the school audit test programme, a workshop session is provided for school staff (head teachers, school business managers, finance staff etc) to further assist schools in identifying key risk areas and control processes. All schools with audits planned during the year are invited to the workshop session.

5.2 An informal workshop session will be arranged in March 2020 and an invitation sent to all schools listed at Appendix A, together with any newly appointed Head, Deputy Head teachers and School Business Managers that Internal Audit are aware of. If any other schools, apart from those listed at Appendix A wish to participate in the pre-audit workshop session, please contact Jerry Barton, the Audit Manager, via email at jerry.barton@mazars.co.uk.

6. Recommendations

6.1 That the Schools Forum note the planned programme of audit work for 2020/21 (Appendix A) and the initial feedback on outcomes following audit work completed in 2019/20.

Internal Audit – Schools Audit Programme 2020/21

		Last Audit Date
	Primary Schools	
1	Bruce Grove	July 2017
2	Campsbourne	July 2015
3	Crowland	July 2017
4	Ferry Lane	January 2018
5	Lancasterian	December 2017
6	Lee Valley	October 2019
7	North Harringay	October 2016
8	Our Lady of Muswell Hill	November 2017
9	Stroud Green	November 2019
10	Tetherdown	May 2017
11	Welbourne	January 2018
12	West Green	October 2017
	Junior Schools	
13	Belmont	March 2017
14	Rokesly	June 2016
	Infant Schools	
15	Rokesly	September 2017
16	St Peter in Chains	January 2018
	Secondary Schools	
17	Fortismere	July 2016
	Nursery Schools	
18	Woodlands Park	February 2017
	Special Schools	
19	Riverside	October 2016