



Haringey Council

Agenda Item

6

Report Status

For information/note
For consultation & views
For decision

The Children and Young People's Service

Report to Haringey Schools Forum – 25 February 2015

Report Title: The schools 2015/16 internal audit programme and feedback on 2014/15 audit work.

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Purpose:

To advise the Schools Forum of the programme of work to be undertaken in 2015/16; and feedback on the audit work undertaken in 2014/15.

Recommendations

1. That the Schools Forum note the planned programme of audit work for 2015/16 (Appendix A).
2. That the Schools Forum note the feedback on the work completed in 2014/15, including the results of the follow up audits (Appendix B).

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 Whilst some of the content has been superseded, the principles of the financial and non-financial processes and procedures remain valid, including e.g. budgetary control, income and expenditure systems,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 addition, Corporate Finance provides regular guidance and information to all schools in respect of the key financial and non-financial processes at schools.

1.3 Internal Audit undertakes a programme of school audit reviews to ensure that schools are complying with the requirements of the Schools Finance

Manual and the risks associated with the key financial and non-financial processes are appropriately managed.

1.4 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.

1.5 The Schools Forum will recall that Internal Audit circulated the audit test programme to all schools, via the Schools Bulletin, in June 2013. 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 2015/16

2.1 Internal Audit will continue with a programme of routine audit work for schools in 2015/16 and the planned programme of audit visits for 2015/16 is attached at Appendix A.

2.2 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.

2.3 The confirmation will usually be made via email approximately 8 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. Feedback on 2014/15 audit work and follow up of 2013/14 work

3.1 This report:

- Summarises the overall outcomes and assurance levels provided to individual schools from 2011/12 to 2014/15;
- Highlights some of the areas of non-compliance in 2014/15 where recommendations were made.

3.2 Table 1 below summarises the overall outcomes and assurance ratings for the previous four financial years of all internal audits completed.

Table 1

| | Number of audits planned | Substantial Rating assurance | Limited Assurance rating | Nil Assurance rating |
|---|---------------------------------|-------------------------------------|---------------------------------|-----------------------------|
| 2011/12 | | | | |
| Primary Schools (incl. nursery/special) | 17 | 7 | 9 | 1 |
| Secondary Schools | 2 | 1 | 1 | 0 |
| Sub-total | 19 | 8 | 10 | 1 |
| 2012/13 | | | | |
| Primary Schools (incl. nursery/special) | 19 | 5 | 13 | 1 |
| Secondary Schools | 1 | 0 | 1 | 0 |
| Sub-total | 20 | 5 | 14 | 1 |
| 2013/14 | | | | |
| Primary Schools (incl. nursery/special) | 15 | 8 | 6 | 1 |
| Secondary Schools | 3 | 1 | 2 | 0 |
| Sub-total | 18 | 9 | 8 | 1 |
| 2014/15 | | | | |
| Primary Schools (incl. nursery/special) | 12 | 5 | 5 | 0 |
| Secondary Schools | 1 | 1 | 0 | 0 |
| Sub-total | 13 | 6 | 5 | 0 |
| Total | 70 | 28 | 37 | 3 |

3.3 The 2014/15 audit programme has yet to be completed and a further update on the final position will be provided to the Schools Forum in due course.

3.3 Internal Audit completed formal follow up audits in 2014/15 of all school audits which were undertaken in 2013/14. Appendix B sets out the overall results of the follow up work completed in 2014/15 in relation to schools audits undertaken as part of the 2013/14 audit programme. The follow up visits were arranged in advance with the schools.

3.4 The Schools Forum will note that of the 220 original recommendations, only 115 (52%) had been implemented at the time of the follow up visit. In addition, 28 (48%) out of the 58 Priority 1 recommendations originally made remained outstanding. Internal Audit considers that Priority 1 recommendations represent serious control or compliance failures.

4. Training for Schools and Governors

4.1 In addition to circulating the school audit test programme, a workshop session has been provided for school staff (finance staff, bursars, and head teachers) 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 and feedback has been very positive

from those who attended. Internal Audit will again run the workshop session in advance of the 2015/16 audit programme.

4.3 A workshop session has been booked for March 2015 and an invitation has been sent to all schools listed at Appendix A. If any other schools, apart from those listed at Appendix A, wish to participate in a pre-audit workshop, please contact Ibrahim Khatib, the Audit Manager, via email at ibrahim.khatib@haringey.gov.uk.

4.4 A training session on audit and risk management was provided on 9 February 2015 as part of the annual governor training package. The training session is offered every academic year and covered governor roles and responsibilities in relation to audit and risk management, as well as providing advice and guidance on key risk/control areas.

5. Recommendations.

5.1 That the Schools Forum note the planned programme of audit work for 2015/16 (Appendix A) and the initial feedback on audit work completed in 2014/15.

Appendix A

Internal Audit – Schools Audit Programme 2015/16

| | |
|----|------------------------------------|
| | Primary Schools |
| 1 | The Willow |
| 2 | Campsbourne |
| 3 | Coleridge |
| 4 | Earlsmead |
| 5 | Highgate |
| 6 | Lea Valley |
| 7 | Muswell Hill |
| 8 | St. Ignatius RC |
| 9 | St. Paul's RC |
| | Junior Schools |
| 10 | St. Gilda's RC Junior |
| 11 | St. Mary's Priory RC Junior/Infant |
| | Infant Schools |
| 12 | Belmont Infants |
| | Secondary Schools |
| 13 | Gladesmore Secondary |

The results of internal audit's follow-up work on the 2013/14 school audits are summarised in **Appendix B** below.

| School | Assurance Level (original audit report) | Recommendations | | | | | | | | | | | |
|------------------|---|-----------------|-----|----|------------|-------------|----|----|------------|--------------|-----------|-----|------------------------------|
| | | Category | | | | Implemented | | | | Partly Impl. | Not Impl. | N/A | Priority 1 Recs. Outstanding |
| | | 1 | 2 | 3 | Total | 1 | 2 | 3 | Total | | | | |
| Secondary School | Substantial | 1 | 5 | 1 | 7 | 1 | 0 | 0 | 1 | 5 | 0 | 1 | 0 |
| Secondary School | Limited | 6 | 6 | 1 | 13 | 4 | 5 | 1 | 10 | 3 | 0 | 0 | 2 |
| Secondary School | Limited | 7 | 12 | 1 | 20 | 4 | 5 | 1 | 10 | 6 | 4 | 0 | 3 |
| Primary School | Substantial | 0 | 7 | 1 | 8 | 0 | 4 | 1 | 5 | 2 | 1 | 0 | 0 |
| Primary School | Substantial | 0 | 1 | 5 | 6 | 0 | 1 | 5 | 6 | 0 | 0 | 0 | 0 |
| Primary School | Substantial | 0 | 8 | 1 | 9 | 0 | 5 | 1 | 6 | 2 | 1 | 0 | 0 |
| Primary School | Substantial | 2 | 3 | 3 | 8 | 1 | 2 | 3 | 6 | 2 | 0 | 0 | 1 |
| Primary School | Substantial | 0 | 6 | 4 | 10 | 0 | 5 | 4 | 9 | 1 | 0 | 0 | 0 |
| Primary School | Substantial | 2 | 10 | 1 | 13 | 2 | 4 | 1 | 7 | 4 | 2 | 0 | 0 |
| Primary School | Substantial | 1 | 10 | 1 | 12 | 1 | 7 | 1 | 9 | 3 | 0 | 0 | 0 |
| Primary School | Limited | 4 | 10 | 4 | 18 | 3 | 5 | 4 | 12 | 5 | 1 | 0 | 3 |
| Primary School | Limited | 5 | 14 | 2 | 21 | 2 | 4 | 2 | 8 | 7 | 6 | 0 | 3 |
| Primary School | Limited | 3 | 16 | 0 | 19 | 0 | 7 | 0 | 7 | 11 | 0 | 1 | 3 |
| Primary School | Limited | 5 | 11 | 0 | 16 | 3 | 5 | 0 | 8 | 3 | 4 | 1 | 1 |
| Primary School | Limited | 9 | 1 | 0 | 10 | 4 | 0 | 0 | 4 | 4 | 0 | 2 | 3 |
| Primary School | Nil | 13 | 17 | 0 | 30 | 3 | 4 | 0 | 7 | 9 | 11 | 3 | 9 |
| Total | | 58 | 137 | 25 | 220 | 28 | 63 | 24 | 115 | 67 | 30 | 8 | 28 |