



**CYNGOR BWRDEISTREF SIROL**  
**RHONDDA CYNON TAF**  
**COUNTY BOROUGH COUNCIL**

**GWŶS I GYFARFOD O'R CYNGOR**

C.Hanagan  
Cyfarwyddwr Gwasanaeth y Gwasanaethau Democrataidd a Chyfathrebu  
Cyngor Bwrdeistref Sirol Rhondda Cynon Taf  
Y Pafiliynau  
Parc Hen Lofa'r Cambrian  
Cwm Clydach, CF40 2XX

Dolen gyswllt: Hannah Williams - Uned Busnes y Cyngor - Gwasanaethau  
Llywodraethol (01443 424062)

**DYMA WŶS I CHI** i gyfarfod rhithwir o **Pwyllgor ARCHWILIO** yn cael ei gynnal ar  
**Dydd LLUN, 5ED HYDREF, 2020** am **5.00 PM**.

Caiff Aelodau nad ydyn nhw'n aelodau o'r pwyllgor ac aelodau o'r cyhoedd gyfrannu yn y cyfarfod ar faterion y cyfarfod er bydd y cais yn ôl doethineb y Cadeirydd. Gofynnwn i chi roi gwybod i Wasanaethau Democrataidd erbyn Dydd Iau, 1 Hydref 2020 trwy ddefnyddio'r manylion cyswllt uchod, gan gynnwys rhoi gwybod a fyddwch chi'n siarad Cymraeg neu Saesneg.

**AGENDA**

**Tudalennau**

**1. DATGAN BUDDIANT**

Derbyn datganiadau o fuddiannau personol gan Aelodau, yn unol â gofynion y Cod Ymddygiad.

Nodwch:

1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm mae eu buddiant yn ymwneud ag ef a mynegi natur y buddiant personol hwnnw; a
2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, rhaid iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.

**2. DIWEDDARIAD AR LAFAR GAN ARCHWILIO CYMRU: CYNNYDD O RAN ARCHWILIO'R DATGANIAD O GYFRIFON 2019/20 (DRAFFT)**

3. **SIARTER ARCHWILIO MEWNOL 2020/21** 3 - 26
4. **ASEINIADAU ARCHWILIO TERFYNOL** 27 - 130
5. **CYNLLUN GWAITH DRAFFT PWYLLGOR ARCHWILIO RHONDDA  
CYNON TAF 2020/21** 131 - 142
6. **BUSNES BRYS**  
Trafod unrhyw faterion sydd, yn ôl doethineb y Cadeirydd, yn faterion brys yng ngoleuni amgylchiadau arbennig.

**Cyfarwyddwr Gwasanaeth y Gwasanaethau Democraidd a Chyfathrebu**

**Cylchreliad:-**

**Y Cynghorwyr Bwrdeistref Sirol:**

Y Cynghorydd K Jones, Y Cynghorydd G Caple, Y Cynghorydd A Cox,  
Y Cynghorydd J Cullwick, Y Cynghorydd M Adams, Y Cynghorydd M Powell,  
Y Cynghorydd G Davies, Y Cynghorydd M Norris, Y Cynghorydd Owen-Jones,  
Y Cynghorydd S Rees, Y Cynghorydd S Powell, Y Cynghorydd R Yeo,  
Y Cynghorydd L De Vet ac Y Cynghorydd J Harries

Aelod Lleyg – Mr C Jones

## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### MUNICIPAL YEAR 2020/21

<b>AUDIT COMMITTEE</b> <b>5<sup>th</sup> October 2020</b>	<b>AGENDA ITEM NO. 3</b>
<b>REPORT OF THE HEAD OF THE REGIONAL AUDIT SERVICE IN CONSULTATION WITH THE DIRECTOR OF FINANCE AND DIGITAL SERVICES</b>	<b>INTERNAL AUDIT CHARTER 2020/21</b>

Author: Mark Thomas (Head of Regional Internal Audit Service) & Lisa Cumpston (Group Audit Manager)

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to present to Members the Regional Internal Audit Service Charter for 2020/21.

#### **2. RECOMMENDATION**

It is recommended that Members:

- 2.1 Consider and approve the Regional Internal Audit Service Charter for 2020/21 as attached as **Appendix A** to this report.

#### **3. REASONS FOR RECOMMENDATION**

- 3.1 To keep the Audit Committee informed, and to ensure compliance with the Public Sector Internal Audit Standards (PSIAS).

#### **4. BACKGROUND INFORMATION**

- 4.1 The Internal Audit Charter is a formal document that defines the purpose, authority and responsibility of Internal Audit's activities. The Internal Audit Charter establishes Internal Audit's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit activities.

- 4.2 The purpose of this Regional Internal Audit Service (RIAS) Charter is to define the purpose, authority and responsibilities of the Regional Internal Audit Shared Service across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils. This is the first time a consistent Charter for the four Councils has been proposed and is consistent with the objectives of the Regional Shared Service, that is, to eliminate duplication and apply best practice.
- 4.3 The Charter establishes the position of internal audit activity within each Council along with reporting lines, authorising access to records, personnel and physical property relevant to the performance of audit work and defines the scope of internal audit activities.
- 4.4 The Head of Internal Audit is responsible for reviewing the Charter and presenting it to each Council's Audit Committee annually for review and approval in line with the PSIAS.
- 4.5 The PSIAS are applicable to all areas of the United Kingdom public sector and are based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework.
- 4.6 The RIAS is committed to meeting the standards laid down in the PSIAS Framework and any significant deviations from the Standards will be reported to Audit Committee.
- 4.7 The Charter is split into the following sections:
- Purpose, Authority and Responsibility;
  - Independence and Objectivity;
  - Proficiency and Due Professional Care; and
  - Quality Assurance and Improvement Programme.
- 4.8 The Charter has two annexes containing a Glossary of Terms and the Code of Ethics.
- 4.9 The roles of the Audit Committee in relation to internal audit are to:
- Oversee its independence, objectivity, performance and professionalism;
  - Support the effectiveness of the internal audit work process; and
  - Promote the effective use of internal audit within the assurance framework.
- 4.10 One of the key roles which demonstrates the Audit Committee's oversight is the approval of the Internal Audit Charter.

## **5. INTERNAL AUDIT CHARTER 2020/21**

- 5.1 The PSIAS requires the Head of Internal Audit to review the Charter periodically but final approval resides with the Audit Committee.

- 5.2 The Regional Internal Audit Shared Service Charter for 2020/21 is attached at Appendix A. It has been reviewed and updated to ensure it continues to reflect the requirements of the PSIAS and is applicable to all four Councils involved in the Shared Service.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 There are no equality and diversity implications as a result of the recommendations set out in the report.

## **7. CONSULTATION**

- 7.1 There are no consultation implications as a result of the recommendations set out in the report.

## **8. FINANCIAL IMPLICATION(S)**

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

## **9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The provision of an adequate and effective Internal Audit Function is a legal requirement under the Accounts and Audit (Wales) Regulations as amended from time to time.

## **10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.**

### THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 10.1 The work of Internal Audit aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference', in particular 'The Way Ahead' through ensuring that appropriate internal controls are in place to effectively manage resources.

### WELL-BEING OF FUTURE GENERATIONS ACT

- 10.2 The Sustainable Development Principles, in particular Prevention, can be applied to the work of Internal Audit in providing assurance or otherwise that risks to the achievement of objectives are being managed.

## **11. CONCLUSION**

- 11.1 The Internal Audit Charter is the document that defines the purpose, authority and responsibility of Internal Audit services to be delivered by the RIAS on behalf of Rhondda Cynon Taf County Borough Council.
- 11.2 In line with the PSIAS, the RIAS has drafted an Internal Audit Charter for Audit Committee's consideration, and if deemed appropriate, approval for the 2020/21 financial year.

### **Other Information:-**

***Relevant Scrutiny Committee***  
**Not applicable.**

***Contact Officer*** – Mark Thomas

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**5<sup>th</sup> October 2020**

**INTERNAL AUDIT CHARTER 2020/21**

**HEAD OF REGIONAL AUDIT SERVICE IN CONSULTATION WITH THE DIRECTOR  
OF FINANCE AND DIGITAL SERVICES (RCTCBC)  
SERVICES**

Author: Mark Thomas (Head of Regional Internal Audit Service) & Lisa Cumpston  
(Group Audit Manager)

**Item: 3**

**Background Papers**

None.

Officer to contact: Mark Thomas

# DRAFT

## Internal Audit Charter 2020/21

### Bridgend County Borough Council



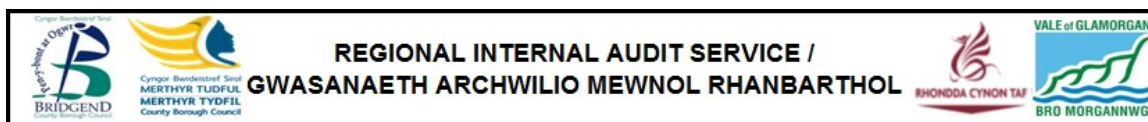
### Merthyr Tydfil County Borough Council



### Rhondda Cynon Taf County Borough Council



### Vale of Glamorgan Council



June 2020

Review and Approval of the Internal Audit Charter



This Internal Audit Charter defines the purpose, authority and responsibility of the Internal Audit Service.

The Internal Audit Charter is defined within the Public Sector Internal Audit Standards as follows:

The Internal Audit Charter is a formal document that defines the purpose, authority and responsibility of Internal Audit activities. The Internal Audit Charter establishes Internal Audit's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit activities.

A professional, independent and objective Internal Audit Service is one of the key elements of good governance, as recognised throughout the UK Public Sector.

The purpose of this Regional Internal Audit Shared Service Charter is to define the purpose, authority and responsibilities of the Regional Internal Audit Shared Service (RIASS) across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils.

The Charter establishes the position of internal audit activity within each Council along with reporting lines, authorising access to records, personnel and physical property relevant to the performance of audit work and defines the scope of internal audit activities.

The Head of Internal Audit is responsible for reviewing the charter and presenting it to each Council's Audit Committee annually for review and approval.

The Public Sector Internal Audit Standards sets out the Mission of Internal Audit (what internal audit aspires to accomplish within an organisation) and the definition of Internal Auditing.

### Mission of Internal Audit

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

## Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- A. In each of the four Councils, the role of the Board, as defined within the Public Sector Internal Audit Standards, will be the responsibility of each Council's Audit Committee and any reference made throughout this document relating to Audit Committee assumes the responsibilities of the Board as defined and referred to within the Standards.
- B. The Public Sector Internal Audit Standards require that the internal audit charter defines the terms Board, Chief Audit Executive and Senior Management in relation to the work of internal audit. For the purposes of internal audit work the roles are defined as follows:
- Board – The internal audit activity is established and defined by the Board, (hereafter referred to as the Audit Committee) which has responsibility for overseeing the work of Internal Audit.
  - Chief Audit Executive – The role of the Chief Audit Executive is undertaken by the Head of the Audit Service.
  - Senior Management – Senior Management is defined as those officers designated as Chief Officers as set out in each Council's Constitution.
- C. The Public Sector Internal Audit Standards became effective from the 1st of April 2013 and were updated in March 2017. The Public Sector Internal Audit Standards replaced the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. Conformance with the Standards, the Definition of Internal Auditing and Code of Ethics is mandatory.
- The RIASS is committed to meeting the standards laid down in the Public Sector Internal Audit Standards Framework and any significant deviations from the Standards will be reported to the Audit Committee.
- D. The Charter is split into the following sections;
1. Purpose, Authority and Responsibility;
  2. Independence and objectivity;

3. Proficiency and due professional care;
4. Quality assurance and improvement programme.

## **1. Purpose, Authority and Responsibility (Standard 1000)**

1.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion to management and Members on the control environment comprising risk management, internal control and governance by evaluating its effectiveness in achieving the Council's objectives.

1.2 It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

1.3 It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance issues.

1.4 In addition, the other objectives of the function are to:

- Support the Chief Finance Officer in each Council to discharge their Section 151 duties;
- Contribute to and support the organisation with the objective of ensuring the provision of, and promoting the need for, sound financial systems;
- Investigate allegations of fraud or irregularity to help safeguard public funds in consultation with relevant Council Services;
- Support the work of the relevant Audit Committees; and
- Provide an annual audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

1.5 These objectives will be delivered through maintaining a high quality RIASS function that meets the needs of each Council, supporting the relevant Section 151 Officers and the Audit Committees in discharging their responsibilities and meeting the requirements of the Public Sector Internal Audit Standards.

1.6 Internal Audit is a statutory service. Part 3 of The Accounts and Audit (Wales) Regulations 2018 concerns financial management and internal control. Regulation 5 (responsibility for internal control and financial management) of Part 3 directs that:

*'The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes:*

- (a) *Arrangements for the management of risk, and*  
(b) *Adequate and effective financial management.*

1.7 Regulation 7 (Internal Audit) of Part 3 directs that:

*'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.'*

- 1.8 The work of Internal Audit forms part of the assurance framework, however, the existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.
- 1.9 Section 151 of the Local Government Finance Act 1972 requires every local authority to designate an officer to be responsible for the proper administration of its financial affairs. In each Council it is the Chief Finance Officer/Head of Finance/Director of Finance or equivalent.

#### **Scope**

- 1.10 The scope for Internal Audit work includes the control environment comprising risk management, control and governance.
- 1.11 This effectively means that Internal Audit has the remit to independently review all the Council's operations, resources, services and processes in place to:
- Establish and monitor the achievement of Council objectives;
  - Identify, assess and manage the risks to achieving the Council's objectives;
  - Facilitate policy and decision making;
  - Ensure the economical, effective and efficient use of resources;
  - Ensure compliance with established policies, procedures, laws and regulations;
  - Safeguard assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption; and
  - Ensure the integrity and reliability of information, accounts and data, including internal and external reporting.
  -
- 1.12 All the Council's activities, funded from whatever source, and indeed the entire control environment fall within the remit of Internal Audit.
- 1.13 Internal Audit will consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that management have taken all necessary steps to achieve these objectives.

- 1.14 The scope of Internal Audit work should cover all operational and management controls and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements. This does not imply that all systems will necessarily be reviewed, but that all will be included in the audit needs assessment and hence considered for review following the assessment of risk. The Internal Audit activity is free from interference in determining the scope of internal auditing, performing work and communicating results.
- 1.15 It is not the remit of Internal Audit to challenge the appropriateness of Policy decisions. However, Internal Audit is required to examine the management arrangements of the Council by which such decisions are made, monitored and reviewed.
- 1.16 The Public Sector Internal Audit Standards provide the following definitions for assurance and consultancy work:
- Assurance Services  
An objective examination of evidence for the purpose of providing an independent assessment on **governance, risk management and internal control** for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements. **This work will usually result in an opinion** being provided. (These Services may also be provided to other parties and organisations).
  - Consulting Services  
Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's **governance, risk management and internal control** without the Internal Auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. The nature of Consulting Services provided includes acting as a 'critical friend' on Project Boards. This work **will not normally result in an opinion** being provided. (These Services may also be provided to other parties and organisations).
- 1.17 The core aim of the work undertaken is to establish a risk based annual Internal Audit Plan that is balanced and covers the control environment of the Council as far as is practicable. In order to undertake a balanced workload, Internal Audit plans to complete a mix of assurance and consultancy work, the outcomes of which contribute to the Internal Audit Annual Report where it concludes with an opinion on the Council's overall risk, governance and control environment. The Head of Internal Audit should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and

minimise duplication of efforts.

- 1.18 Internal Audit has right of access to all of the Council's records, information and assets that it considers necessary to fulfil its responsibilities, including those of partner organisations. Internal Audit staff shall have unrestricted access to all Council activities and records (whether manual or computerised systems), personnel, cash, stores, other assets and premises, including those of partner organisations and have authority to obtain such information and explanations as considered necessary to fulfil Internal Audit's responsibilities.

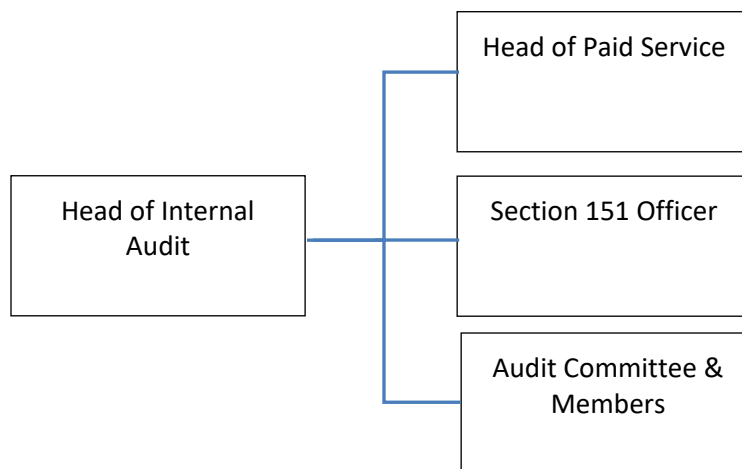
### **Rights of Access**

- 1.19 All staff are required to give complete co-operation to Internal Audit staff to enable the undertaking of an audit.
- 1.20 All partners/agents contracted to provide services on the Council's behalf are also required to co-operate with Internal Audit staff and make available all necessary information. Rights of access to other bodies funded by the Council should be set out in conditions of funding or contract documents.

## **2. Independence and Objectivity (Standard 1100)**

- 2.1 The main determinant of the effectiveness of Internal Audit is that it is seen to be independent and that Internal Auditors must be objective in performing their work. To ensure this, Internal Audit operates within a framework that allows:
- The Head of Internal Audit has direct access to the Chief Executive/ Managing Director, the Section 151 Officer and Monitoring Officer;
  - Unrestricted access to Directors, Heads of Service, Managers and Staff;
  - Unrestricted access to Members (including the Leader, Cabinet Members and Audit Committee);
  - Unrestricted access to Audit Wales (i.e. the Council's External Auditor);
  - Reporting in its own name; and
  - Internal Audit is free from interference when determining the scope of audit reviews, performing the work and communicating the results.
- 2.2 This is achieved through a reporting relationship in each Council as shown in Figure 1 below:

Figure 1 – Internal Audit reporting arrangements



### **Section 151 Officer**

2.3 The Section 151 Officer has overall responsibility for the proper administration of the Council's financial affairs. Internal Audit assists the Officer by providing an opinion on the overall control environment and by regular assurance testing of the key financial systems.

### **Audit Committee**

2.4 The Council operates an Audit Committee that meets on a cyclical basis. It monitors the performance of Internal Audit in relation to productivity, efficiency and quality. It receives regular reports from Internal Audit including progress in delivering the Annual Audit Plan and is attended by the Head of Internal Audit<sup>1</sup> as well as Officers from the Council.

2.5 In addition, the Audit Committee receives the Internal Audit Annual Report that provides a summary of all assurance and consultancy work undertaken and concludes by giving an opinion on the overall control environment within the Council. If a qualified or unfavourable annual internal audit opinion is issued, the reasons to support this will be stated within the Internal Audit Annual Report.

2.6 The Head of Internal Audit has unrestricted access to the Chair of Audit Committee.

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<sup>1</sup> Head of Internal Audit – denotes the Head of the Regional Internal Audit Shared Service

### **Senior Management**

- 2.7 Each Council is divided into various Services and it is the role of the Chief Executive/Managing Director and each Director, Head of Service or equivalent to ensure delivery and operation of the service areas falling within their remit.

### **Relationships with key stakeholders and Service Managers**

- 2.8 The Internal Audit Service develops constructive working relationships with Managers at all levels within the Council in terms of:
- Planning work;
  - Carrying out audit assignments; and
  - Agreeing action plans arising from the work undertaken.
- 2.9 Whilst maintaining its independence, the Internal Audit Service recognises that it must work with Managers to agree improvements that are deemed necessary.

### **External Auditors**

- 2.10 The aim of the relationship between internal and external auditors is to achieve mutual recognition and respect, leading to a joint improvement in performance and to avoid, wherever possible, duplication of work.
- 2.11 The Head of Internal Audit liaises regularly with Audit Wales to consult on audit plans, discuss matters of mutual interest and to seek opportunities for co-operation in the conduct of audit work.

### **Elected Members**

- 2.12 The Head of Internal Audit will aim to have sound working relationships and channels of communication with Elected Members and in particular, Audit Committee, Cabinet and Scrutiny Committees.

### **Internal Audit Standards**

- 2.13 There is a statutory requirement for Internal Audit to work in accordance with the “proper audit practices”. These are set out in the Public Sector Internal Audit Standards (PSIAS) which the Chartered Institute of Public Finance and Accountancy (CIPFA) developed in collaboration with the Chartered Institute of Internal Auditors (CIIA) and which came into force on the 1st April 2013 and updated in March 2017.
- 2.14 Internal Audit Staff will;
- Comply with relevant auditing standards;
  - Comply and promote compliance throughout the Council with all Council rules and policies;
  - Be expected at all times to adopt a professional, reliable, independent and innovative approach to their work; and



- It is essential that Internal Audit staff are seen to be impartial. All Internal Audit staff are required to complete an annual declaration of their interests and must be kept up to date. This is reviewed as part of the annual appraisal and is in line with professional ethics. The Head of Internal Audit is responsible for ensuring that audit staff are not assigned to operational areas or investigations that could compromise their independence (including previous and / or secondary employment elsewhere in the relevant Council or organisation being audited).
- 2.15 The RIASS has adopted the CIIA's Code of Ethics. Where members of the RIASS have attained membership with other professional bodies such as: CIPFA or the Institute of Chartered Accountants in England and Wales (ICAEW), those officers must also comply with their relevant bodies' ethical requirements.
- 2.16 Each member of the Team will receive a copy of the Code of Ethics (included at Annex 2) and sign up to an annual declaration to confirm that they will work in compliance with the Code of Ethics as well as Councils standards and policies such as the Codes of Conduct. Where potential areas of conflict may arise during the year, the auditor will also be required to disclose this. It is critical that all Auditors maintain high standards of integrity, independence, objectivity, confidentiality and competence.

### **Shared Service**

- 2.17 Internal Audit is delivered through a shared regional service between Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils. The host authority for the delivery of the RIASS is the Vale of Glamorgan Council. The governance of the provision of the shared regional service is carried out by the Regional Board. This is made up of the Chief Financial Officers of each Authority or their nominated substitutes who shall be responsible for the strategic direction of the Service.
- 2.18 The activities of the Regional Board shall include but not be limited to:
- determining the strategic direction of the RIASS;
  - monitoring and reviewing standards;
  - determining the Authority Charging Rate on the basis of reasonable information provided by the Head of Internal Audit;
  - providing general supervision of the provision of the Service; and,
  - Resolving conflicts between competing interests amongst the authorities collectively and individually relating to RIASS, the Regional Board and / or the Service.
- 2.19 The Audit Committee for each Council reviews the performance and effectiveness of audit activity, including that of the RIASS.

### **3. Proficiency and Due Professional Care (standard 1200)**

- 3.1 Directors, Heads of Service and Service Managers are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their Service including the risk of fraud and corruption.
- 3.2 The Head of Internal Audit is required to manage the provision of a RIASS to each Council which will include reviewing the systems of internal control operating throughout each Council, and will adopt a combination of system based, risk based, regularity, computer and contract audit approaches in addition to the investigation of fraud.
- 3.3 In discharge of this duty, the Head of Internal Audit will:
- Prepare an annual strategic risk based audit plan for approval and ratification by the relevant Audit Committee; and
  - The Annual Audit Plan will be regarded as flexible and may be revised to reflect changing services and risk assessments; elements of the annual plan are also based on items within Corporate or Strategic Risk Registers.

#### **Resources and Proficiency**

- 3.4 For the RIASS to fulfil its responsibilities, the service must be appropriately staffed in terms of numbers, professional qualifications, skills and experience. Resources must be effectively developed and deployed to achieve the approved risk-based plan. The Head of Internal Audit is responsible for ensuring that there is access to the full range of knowledge, skills, qualifications and experience to deliver the audit plan and meet the requirements of the PSIAS.
- 3.5 The Head of Internal Audit must hold a full professional qualification, defined as CCAB, CMIIA or equivalent professional membership and adhere to professional values and the Code of Ethics. They must have sufficient skill, experience and competencies to work with Directors, Heads of Service, and other Managers and the Audit Committee to influence the risk management, governance and internal control of the Councils.
- 3.6 Each job role within the RIASS structure details the prerequisite skills and competencies required for that role and these will be assessed annually in line with Council policy and the PSIAS. Any development and training plans will be regularly reviewed, monitored and agreed with officers.
- 3.7 All Auditors are also required to maintain a record of their continual professional development in line with their professional body.

## **Due Professional Care**

- 3.8 Internal Auditors must exercise due professional care by considering the:
- Extent of work needed to achieve the assignment objectives;
  - Relative complexity, materiality or significance of matters to which assurance procedures are applied;
  - Adequacy and effectiveness of governance, risk management and control processes;
  - Probability of significant error, fraud, or non-compliance;
  - Cost of assurance in relation to potential benefits; and
  - Considering various data analysis techniques and being alert to significant risks that may affect the objectives.

## **Relationships**

- 3.9 All stakeholders will be treated with respect, courtesy, politeness and professionalism. Any confidential or sensitive issues raised with or reported to Internal Audit staff will be dealt with in an appropriate manner.

Internal – Our main contacts are with:

- Elected Members;
- Chief Officers (as defined in the Council's Constitution)
- Corporate Directors and Section 151 Officers
- Heads of Service and Headteachers;
- Group Managers / Operational Managers and line supervisors;
- Front line employees delivering services to the public; and
- Back office support staff, in particular Financial Services, Legal Services, ICT and HR.

External – Our main contacts are with:

- The Council's External Auditors.  
Internal and External Audit work together to ensure audit resources are used to best advantage for the benefit of the Council. The External Auditors have regard to the work performed by Internal Audit when undertaking their final accounts audit.
- Various Government Agencies and Inspectorates.

## **4. Quality Assurance and Improvement Programme (Standard 1300)**

- 4.1 To enable the Head of Internal Audit to assess the RIASS's activities with conformance to the PSIAS and to aid in the annual assessment of the RIASS's efficiency and effectiveness and identify opportunities for improvement, a

Quality Improvement and Management Programme (QIMP) has been developed.

- 4.2 The QIMP includes both internal and external assessments in accordance with the Standards.
- 4.3 Assessment against QIMP forms part of the annual assessment of the effectiveness of internal audit (as contained within the Head of Internal Audit's Annual Opinion Report) which is presented to the relevant Audit Committee.
- 4.4 Where there are instances of non-conformance to the PSIAS this will be reported to the Audit Committee and the Regional Board with any significant deviations being detailed within the Annual Governance Statement.

### **Internal Assessment**

- 4.5 All Auditors have access to up to date business processes, working instructions, the Internal Audit Charter, Council policies, the PSIAS, journals, publications and other relevant articles and electronic training material and websites. Where staff are members of bodies such as CIPFA and/or CIIA further guidance is available.
- 4.6 To maintain quality, work is allocated to staff with appropriate skills, competence and experience. All levels of staff are supervised. Work is monitored for progress, assessed for quality and to allow for coaching and mentoring.
- 4.7 Targets are set for individual auditors (such as completion of an audit within a set number of days) as well as for the team. Audit targets and performance indicators will be agreed with the Regional Board and reported to the relevant Audit Committee.
- 4.8 In addition to the QIMP, progress made against the annual audit plan and any emerging issues (i.e. fraud risks or governance issues) are reported regularly to the relevant Audit Committee.
- 4.9 Ongoing assessment of individuals is carried out through regular on-going reviews, one to one meetings, feedback from clients via the Client Satisfaction Surveys and formally in the annual personal development review process.

### **External Assessment**

- 4.10 In compliance with the PSIAS, external assessment will be carried out once every five years by a qualified, independent assessor or assessment team from outside of the RIASS Councils. The External Assessment of the previous Shared Service between Bridgend CBC and the Vale of Glamorgan Council

took place during in 2017 and in the other respective Councils in 2018/19. The next external assessment will take place in 2022.

## **Annex 1 - Glossary of Terms**

### **Charter**

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

### **Chief Audit Executive**

Chief audit executive describes the role of a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The chief audit executive or others reporting to the chief audit executive will have appropriate professional certifications and qualifications. The specific job title and/or responsibilities of the chief audit executive may vary across organisations. In the context of the RIASS this is the Head of Internal Audit.

### **Code of Ethics**

The Code of Ethics of the Chartered Institute of Internal Auditors (CIIA) are Principles relevant to the profession and practice of internal auditing and Rules of Conduct that describe behaviour expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services.

The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

### **Compliance**

Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

### **Conflict of Interest**

Any relationship that is, or appears to be, not in the best interest of the organisation. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

### **Control**

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

## **Control Environment**

The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values;
- Management's philosophy and operating style;
- Organisational structure;
- Assignment of authority and responsibility;
- Human resource policies and practices; and
- Competence of personnel.

## **Fraud**

Any illegal act characterised by deceit, concealment or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organisations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.

## **Governance**

The combination of processes and structures implemented by the board to inform, direct, manage and monitor the activities of the organisation toward the achievement of its objectives.

### **Public sector definition: Governance Statement**

The mechanism by which an organisation publicly reports on its governance arrangements each year.

## **Independence**

The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.

## **Internal Auditing**

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

## **Overall Opinion**

The rating, conclusion and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval.

**Risk**

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

**Risk Appetite**

The level of risk that an organisation is willing to accept.

**Risk Management**

A process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.

## **Annex 2 - Code of Ethics**

**Public sector requirement**

Internal Auditors in UK public sector organisations (as set out in the Applicability Section) must conform to the Code of Ethics as set out below. If individual Internal Auditors have membership of another professional body then he or she must also comply with the relevant requirements of that body. The Code of Ethics promote an ethical and professional culture. It does not supersede or replace Internal Auditors' own professional bodies Code of Ethics or those of employing organisations.

The purpose of The Institute of Internal Auditor's Code of Ethics is to promote an ethical culture in the profession of Internal Auditing. A Code of Ethics is necessary and appropriate for the profession of Internal Auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.

The Institute's Code of Ethics extends beyond the definition of Internal Auditing to include two essential components:

**Components**

1. Principles that are relevant to the profession and practice of Internal Auditing; and
2. Rules of Conduct that describe behaviour norms expected of Internal Auditors.

These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of Internal Auditors.

The Code of Ethics provides guidance to Internal Auditors serving others. 'Internal Auditors' refers to Institute members and those who provide Internal Auditing services within the definition of Internal Auditing.

## **Applicability and Enforcement**

This Code of Ethics applies to both individuals and entities that provide Internal Auditing services. For Institute members, breaches of the Code of Ethics will be evaluated and administered according to The Institute's Disciplinary Procedures. The fact that a particular conduct is not mentioned in the Rules of Conduct does not prevent it from being unacceptable or discreditable and therefore, the member liable to disciplinary action.

## **Public sector interpretation**

The 'Institute' here refers to the Institute of Internal Auditors. Disciplinary procedures of other professional bodies and employing organisations may apply to breaches of this Code of Ethics.

### **1. Integrity**

#### Principle

*The integrity of Internal Auditors establishes trust and thus provides the basis for reliance on their judgement.*

#### Rules of Conduct Internal

Auditors:

- 1.1 Shall perform their work with honesty, diligence and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of Internal Auditing or to the organisation.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organisation.

### **2. Objectivity**

#### Principle

*Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.*

*Internal Auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.*

#### Rules of Conduct Internal

Auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation.



- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgement.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

### **3. Confidentiality**

#### Principle

*Internal Auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.*

#### Rules of Conduct Internal

##### Auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

### **4. Competency**

#### Principle

*Internal Auditors apply the knowledge, skills and experience needed in the performance of Internal Auditing services.*

#### Rules of Conduct Internal

##### Auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills and experience.
- 4.2 Shall perform Internal Auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing.
- 4.3 Shall continually improve their proficiency, effectiveness and quality of their services.

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### MUNICIPAL YEAR 2020/21

<b>AUDIT COMMITTEE</b> <b>5<sup>th</sup> October 2020</b>	<b>AGENDA ITEM NO. 4</b>
<b>REPORT OF THE DIRECTOR OF FINANCE &amp; DIGITAL SERVICES</b>	<b>FINALISED AUDIT ASSIGNMENTS</b>

Author: Mark Thomas (Head of Regional Internal Audit Service) & Lisa Cumpston (Group Audit Manager)

#### **1. PURPOSE OF THE REPORT**

- 1.1 This report provides Members with a summary of audit assignments completed between 21<sup>st</sup> January 2020 and 15<sup>th</sup> September 2020.

#### **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Seek clarity and explanation where there are areas of concern.
- 2.2 Identify further action to be taken where deemed necessary.

#### **3. REASON FOR RECOMMENDATIONS**

- 3.1 To help ensure that Audit Committee discharges its responsibilities in respect of reviewing the overall control environment in place across the Council.

#### **4. BACKGROUND**

- 4.1 The Audit Committee Terms of Reference (Point C) requires it to 'Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, and providing the opportunity for direct discussion with the auditor(s) on these'.

- 4.2 In line with this requirement **Appendix 1** provides a summary of the audit assignments completed between 21<sup>st</sup> January 2020 and 15<sup>th</sup> September 2020. Members will note that the summary provides for each assignment: the Introduction, Scope & Objectives, Auditor's stated opinion and a summary of all recommendations made for each audit review completed to final report stage within the stated period.
- 4.3 To help ensure Audit Committee effectively discharges the responsibility as set out in its Terms of Reference (and replicated at point 4.1 above), Members may wish to consider the principles noted below in addition to their own lines of enquiry:
- Are the conclusions made by Internal Audit reasonable / backed up by the findings reported?
  - Are the recommendations made by Internal Audit likely to support the necessary improvement in internal control?
- 4.4 Members will note that 15 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

<p><b>FINANCE &amp; DIGITAL SERVICES</b></p> <ul style="list-style-type: none"><li>• General Ledger</li><li>• Treasury Management</li></ul> <p><b>COMMUNITY &amp; CHILDREN'S SERVICES</b></p> <ul style="list-style-type: none"><li>• Registration Services</li></ul> <p><b>PROSPERITY, DEVELOPMENT &amp; FRONTLINE SERVICES</b></p> <ul style="list-style-type: none"><li>• Streetlighting</li></ul> <p><b>EDUCATION &amp; INCLUSION SERVICES</b></p> <ul style="list-style-type: none"><li>• Maes y Coed Primary School</li><li>• Pengeulan Primary School</li><li>• YGG Aberdar</li><li>• Penyrenghlyn Community Primary School</li><li>• Ynyshir Primary School</li><li>• Trealaw Primary School</li><li>• Maesgwyn Special School</li><li>• YGG Tonyrefail</li><li>• YGG Bodringallt</li><li>• Attendance: Referrals &amp; Intervention</li><li>• Ysgol Hen Felin</li></ul>
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## **5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 There are no equality and diversity implications as a result of the recommendations set out in the report.

## **6. CONSULTATION**

- 6.1 There are no consultation implications as a result of the recommendations set out in the report.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 There are no financial implications as a result of the recommendations set out in the report.

## **8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The provision of regular information in respect of the Council's Internal Audit Service supports the Council in demonstrating compliance with the Accounts and Audit (Wales) (Amendment) Regulations 2018.
- 8.2 Regulation 7 (Internal Audit) of Part 3 of the 2018 Regulations directs that: "*A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.*"

## **9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

### THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 9.1 The work of Internal Audit aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference', in particular 'Living Within Our Means' through ensuring that appropriate internal controls are in place to effectively manage resources.

### WELL-BEING OF FUTURE GENERATIONS ACT

- 9.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

## 10. CONCLUSION

- 10.1 The regular provision of all summarised audit assignments to Audit Committee throughout the year is aimed at assisting Members in evaluating the effectiveness of Internal Audit work across all Council systems and services.
- 10.2 In doing so, it informs Members knowledge of the overall control environment of the Council.

### **Other Information:-**

***Relevant Scrutiny Committee***

**Not applicable.**

***Contact Officer*** – Mark Thomas



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**5<sup>th</sup> October 2020**

**FINALISED AUDIT ASSIGNMENTS**

**REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES**

Author: Mark Thomas (Head of Regional Internal Audit Service) & Lisa Cumpston  
(Group Audit Manager)

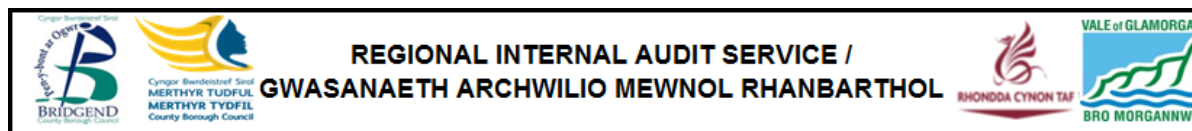
**Item: 4**

**Background Papers**

None.

Officer to contact: Mark Thomas

## Appendix 1 - Summary of audit assignments completed between 21<sup>st</sup> January 2020 and 15<sup>th</sup> September 2020



### FINANCE & DIGITAL SERVICES

**AUDIT NAME: GENERAL LEDGER**

**DATE FINAL REPORT WAS ISSUED: 14/05/2020**

#### INTRODUCTION

The management and control of the Council's General Ledger is undertaken within the Chief Executive's Group (Finance & Digital Services Division). The purpose of the General Ledger system is to record all financial transactions and provide the required information for the preparation of Management Accounts, Final Accounts and Financial Returns. In order to maintain proper financial control and protect the integrity of the Ledger, it is essential that adequate accounting routines are in operation.

#### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for 2019/20, a review of the General Ledger was undertaken. The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the General Ledger. The objective of the review was to:

- Assess the standards set out in the self-assessment checklist and conclude on the adequacy and effectiveness of the controls actually operating.

#### AUDIT OPINION

***Overall the control environment for the General Ledger and Accounting framework is considered to be effective with Civica Financials being used, a system which meets statutory and management accounting and reporting requirements.***

Civica Financials is able to provide revenue, capital, pension fund, trust funds and joint committee accounts as required by statute. The budget for 2019/20 was agreed by Council 6/3/2019. Civica Financials was updated in accordance with the agreed budgets, and it has been correctly rolled up into Civica Financials to ensure that all Groups have their correct allocation of the budget and to enable accurate budget monitoring to take place. The values of balance sheet items had been correctly carried forward from 2018/19 into 2019/20 to ensure the information held in Civica Financials can be relied upon as being correct.

Ledger input / output is controlled, secure, timely and appropriate to the needs of all users. In particular, Feeders, Journal Transfers, Virements and changes



to the overall structure of the system are promptly and accurately actioned by officers with delegated responsibility. Evidence to support these transactions was always retained.

All transactions tested as part of this review have an Audit trail, which highlights each transaction's unique reference number, date / time, and the identity of the individual who carried out the transaction.

Civica Financials is able to apply its own validity tests on data received from feeder systems to ensure codings are correct. All invalid codes entered into Civica Financials are promptly investigated and rectified from suspense codes by authorised officers to ensure that the budgetary information in the system is accurate and up to date.

### **No High Priority Recommendations Made**

**AUDIT NAME: TREASURY MANAGEMENT**

**DATE FINAL REPORT WAS ISSUED: 07/05/2020**

#### **INTRODUCTION**

The Treasury Management Team undertakes the management and control of the Council's borrowing and investment function, a service delivered from within the Finance and Digital Services Directorate.

Effective management and control of risk is a prime objective of Treasury Management activities.

#### **SCOPE & OBJECTIVES**

In accordance with the Internal Audit plan for 2019/20, a review of Treasury Management was undertaken.

The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the Treasury Management Team. The objective of the review was to:

- Assess the standards set out in the self-assessment checklist and conclude on the adequacy and effectiveness of the controls in operation.

#### **AUDIT OPINION**

***The overall control environment in respect of Treasury Management is considered to be effective.***

At the Full Council meeting held on 27/3/2019, Members approved the 'Treasury Management Strategy Incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement' and the 'Capital Strategy Report including Prudential Indicators' for 2019/20.

On the 31/7/2019, Council received and agreed the 2018/19 Annual Treasury Management review report.

The process developed to manage the Council's investments and borrowing is considered robust and effective.

For the sample selected it was established that low risk investments had been placed with either the Debt Management Office (DMO) or other Public Bodies, which was in line with the Treasury Management Strategy and all had been correctly authorised by an appropriate member of staff, based on the funds

available each day from the general or superannuation bank accounts.  
To date, the Council has taken out £80m in long term loans in 2019/20, all had been appropriately authorised.

### **No High Priority Recommendations Made**

## **COMMUNITY & CHILDREN'S SERVICES**

### **AUDIT NAME: REGISTRATION SERVICES**

**DATE FINAL REPORT WAS ISSUED: 23/01/2020**

#### **INTRODUCTION**

A Registry Office is a British Government Office where births, deaths and marriages are officially recorded and civil marriages take place. Set up by an Act of Parliament in 1837, the statutory registration service is overseen by the Registrar General as part of the General Register Office. With effect from 1st December 2007, all Registrars and Superintendent Registrars in England and Wales became employees of the local authorities who now provide the Registration Service. Responsibility for this function lies with the Group Director of Community and Children's Services. The Service is managed locally by the Director, Public Health, Protection & Community Services. Registrations are carried out by a Registrar; the Registry Office for Rhondda Cynon Taf is based in the Municipal Buildings, Pontypridd. However, wedding ceremonies may also be undertaken at a number of approved / licensed premises within the County Borough.

#### **SCOPE & OBJECTIVES**

In accordance with the Internal Audit plan for 2019/20 which has been agreed by Audit Committee, a review of the Registration Service was undertaken. The primary purpose of the review is to provide Management with an opinion on the adequacy and effectiveness of the internal control systems operating within the Registration Service.

The specific control objectives were:

- To examine the security of arrangements around receipt, storage and the use of certificate stock held.
- To ensure that all income is identified, collected and banked in accordance with Council Policy and correctly appears in the Council's accounts.
- To provide Management with guidance on the EU Settlement Scheme.

#### **AUDIT OPINION**

##### **Stock Control**

***The control environment in respect of Stock Control is considered to be effective.***

The Registry Office is registered with the Information Commissioner, for the purpose of processing personal data. Passwords are only known to individuals and are not shared hence there are appropriate controls in place to ensure that there is no unauthorised access to the online registration system (RON). There are also safeguards in place to ensure that no unauthorised access to the Certificate Stock is gained.

Rhondda Cynon Taf Registration Service issue approximately 18,000 certificates a year. Certificate stock is ordered annually from the General Register Office, and responsibility for ordering certificate stock lies with each individual Registrar, based at the Registry Office.

Audit testing confirmed that all staff have access to comprehensive operational procedure notes, which have been issued by the General Registry Office in order for them to undertake their statutory duties in respect of the receipt, control and issue of certificate stock and associated record keeping. It was also established that any updates to the procedures issued by the General Register Office are emailed to the Superintendent Registrar, and are subsequently forwarded to each member of the Registration staff for information and guidance. There is also an electronic working document held at the Registry Office which supports any in house staff training and procedure notes applicable to the RCT Registry Service.

A review of each Registrar's records revealed that all staff are aware of the procedures to be followed, and are following them. However, it was noted that one Registrar has been inconsistent when opening a new certificate book (all certificate books received in sealed plastic packaging), and this report recommends that Management remind staff that they are accountable when handling certificate stock and that the procedures currently in place for starting a new book are adhered to at all times (i.e. maintaining documentary evidence that new certificate books are checked before use).

#### **Payment of Certificates**

***The control environment in respect of the Payment of Certificates is considered to be effective and there are no recommendations contained within this report.***

A formal receipting process is in place for all 'over the counter' certificate enquiries. An official receipt book has been obtained and an official receipt is provided to applicants as confirmation that money has been received in respect of a certificate search. There is also a formal process in place if a certificate search is unsuccessful and the money needs to be refunded to the customer.

A sample of certificates issued during August 2019 was examined. It was noted that of the certificates issued - the correct information had been provided in respect of all applications; payment was accounted for, and appeared in the Council's General Ledger. No delays with deposit at the bank were noted as the service makes use of the secure cash collection service.

This review has also confirmed that staff are aware that potential fraudulent applications are reported to the General Registrar's Office and there have been no fraudulent applications made since 2015.

#### **EU Settlement Scheme**

The EU Settlement Scheme allows EU Citizens and their family members to continue to live and work in the UK after 31st December 2020. To be able to carry on living in the UK after that date, it will be necessary to apply under the EU Settlement Scheme.

The implementation period has run from 29th March 2019 and will end in December 2020. During this period, the rights of the EU citizens will remain unchanged and the EU Settlement scheme will be open to applications until 30th June 2021 for those who were resident by the end of 2020.

With effect from 1st October 2019, the RCT Registrar Service introduced a verification service for eligible EU, EEA and Swiss Nationals making an application for settled status. Although the Home Office fee recommendation is £14 per application, it has been agreed to provide the service free of charge for an initial

3 month pilot period to assess demand and determine the impact on the service and cost to the Council.

Whilst no formal recommendation is made within this report, it is reinforced that the Superintendent Registrar ensure that a regular review of the demand for the service is undertaken to assess the impact on the service and cost to the Council. This will also allow Management to determine whether it is necessary to consider introducing a fee for providing the service.

Implementation of the recommendation contained within this report should assist the Superintendent Registrar in enhancing the current levels of control further.

#### No High Priority Recommendations Made

#### SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1  Medium	<p>Audit testing confirmed that all staff have access to comprehensive operational procedure notes in undertaking their statutory duties in respect of the receipt, control and issue of certificate stock and associated record keeping.</p> <p>A stock check of each Registrar's records revealed that all staff are aware of the procedures to be followed, and are following them.</p> <p>However, it was noted that one Registrar has been inconsistent when starting a new certificate book (i.e. there is not always evidence that new certificate books were checked before use):</p> <ul style="list-style-type: none"> <li>• RWBR543401 - Book not signed out as checked</li> <li>• RWBR543201 - Book not signed out as checked</li> <li>• RWBR175101 - Book was correctly signed as checked on 22.1.19</li> <li>• RWBR174401 - Book was correctly signed as checked on 26.11.18.</li> <li>• TWB128151 - 21.5.18 - not signed out as checked</li> <li>• TWB128251 - 7.12.18 - not signed out as checked</li> <li>• RTWA043801 - not checked</li> </ul>	<p>Management should remind staff that they are accountable when handling certificate stock and that the procedures currently in place for starting a new book are adhered to at all times and by all staff.</p> <p>A review process should also be put in place to ensure this is being adhered to.</p>	Implemented

**PROSPERITY, DEVELOPMENT & FRONTLINE SERVICES****AUDIT NAME: STREET LIGHTING****DATE FINAL REPORT WAS ISSUED: 26/03/2020****INTRODUCTION**

The Highways Network represents the most significant asset of the Council, valued in excess of £3.4Bn and comprises of carriageways, footways, structures (e.g. bridges, retaining walls, culverts), street lighting, traffic signals and signs, safety barriers and highway drainage.

An ongoing programme of column and supply cable replacements is in place for the Council's network of street lighting. The programme takes into account the results of structural tests undertaken by Centregreat (an external contractor appointed by the Council), and includes schemes to replace existing 2-wire overhead network feeding steel columns that have previously been the target of cable theft, and also have the potential to become an electrical hazard.

The management of street lighting is the responsibility of the Service Director, Highways & Engineering, reporting to the Group Director - Prosperity, Development & Frontline Services.

The management of the Council's Highways Network, including street lighting, forms part of one of the Council's priorities.

**SCOPE & OBJECTIVES**

In accordance with the Internal Audit Plan for financial year 2019/20, agreed by Audit Committee, a review of the management arrangements in place for street lighting was undertaken.

The primary purpose of the review is to provide management with an opinion on the adequacy and effectiveness of the control environment in respect of street lighting.

The specific control objective examined was:

- To review the Management arrangements in place for managing and delivering the street lighting programme of replacement and repairs. This includes: -
  - o To review how the street lighting programme is identified and prioritised.
  - o To review the budget setting process and associated cost management processes.
  - o Quality Assurance/Inspections of each scheme during and on completion.

**AUDIT OPINION**

***The control environment in respect of the management arrangements in place for delivering the street lighting programme is considered to be effective.***

Budget setting and project/scheme identification/prioritisation

The Highways Network represents the most significant asset of the Council, valued in excess of £3.4bn. At its meeting of 6th March 2019 Council approved the budgets for the Highways Capital Programme for 2019/20.

Potential schemes are identified in respect of both the Highways network and structures (e.g. street lighting) with preliminary works undertaken if necessary. The rationale behind this is that if funding becomes available from grants / other funding sources, the Council has schemes prepared and ready to implement. Once schemes are identified within the Highways Capital Programme, budgeted costs are also provided and works prioritised based on various factors, including weather and traffic flow.

A plan of schemes for the year for street lighting is also identified and formulated following an annual structural testing programme, whereby works are identified and prioritised for repair/replacement, utilising the structural reports undertaken by Centregreat and the Council's own inspections. Each scheme is then monitored and tracked until completed.

Budget monitoring is undertaken throughout the year and reported to designated Officers and Members within the Council. A sample of street lighting schemes were examined, where it was identified that each scheme had estimated costs linked to the works required, with the subsequent actual costs/invoices in line with their estimates.

#### Time Management/Quality Assurance/Inspections

Inspections are currently undertaken for on-going and completed works on the Capital Programme Scheme and by external contractors e.g. housing developers.

It was identified that inspections are undertaken in respect of all work included on the Capital Programme Scheme and work undertaken by external contractors. However the process for inspecting work undertaken by the Council's appointed contractor for street lighting (Centregreat) is more ad-hoc with approximately 50% of schemes currently inspected. There is no rationale to determine the prioritisation of schemes inspected and while a spreadsheet is maintained to evidence details of the inspections undertaken there is no official, final inspection 'sign off' for the work/repairs undertaken.

This report recommends that Management determine whether final inspections are required for all street lighting works / repairs or set a rationale for inspections. Where final inspections take place, an official 'sign-off' by inspectors of all works undertaken should be completed and evidenced prior to any final payments being made.

Implementation of the recommendation included in the report will further enhance the internal controls already in place.

#### **No High Priority Recommendations Made**

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1  Medium	<p>Currently inspections are undertaken for on-going and completed works for all works undertaken on the Capital Programme Scheme and by external contractors e.g. housing developers.</p> <p>It was also identified that inspections are undertaken for works carried out by the Council's appointed contractor (Centregreat) on an ad-hoc basis, with up to 50% of schemes inspected. For these inspections, a spreadsheet is maintained of the inspections.</p> <p>However, there is no official final inspection 'sign-off' for and of the works/repairs undertaken. There is also no rationale as to which schemes are prioritised for inspection.</p>	<p>Management should determine if final inspections should be undertaken for all street lighting works/repairs, or determine a rationale for prioritising final inspections.</p> <p>Where final inspections take place, an official 'sign-off' by inspectors of all works undertaken and completed should be in place prior to final payments made.</p> <p>Appropriate evidence of this 'sign-off' should then be retained.</p>	Implemented

## EDUCATION & INCLUSION SERVICES

**AUDIT NAME: MAES Y COED PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 30/01/2020**

### INTRODUCTION

The self-evaluation process is designed to help and advise Headteacher and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Maes-y-coed Primary School was last subject to an Internal Audit Review in June 2015, and this is the fourth cyclical visit made to the school to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at the Summer Term meeting of 27th April 2020.

### SCOPE & OBJECTIVES

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

### AUDIT OPINION

#### Governance

***The control environment in relation to Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and its sub committees have



the requisite number of members and quorate levels for meetings are achieved (noting that there were 2 LEA Governor vacancies). A Register of Business Interests is in place at the school and is updated annually.

The Headteacher has not been formally delegated a limit for making virements between budgets and purchases; this report recommends that the Governing Body confirm a scheme of delegation to formally record the Head teacher's financial limits for expenditure.

All statutory policies and documents are present at the school and demonstrate a recent review by the Headteacher, Chair of Governors and the Policy Review Committee. A number of policies and documents have recently been approved by the Policy Review Committee and it is noted that these are due to be presented to the Full Governing Body on 27th January 2020.

#### Safeguarding & Educational Visits

***The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.***

Testing identified that all staff received the appropriate clearances before commencing duties in their posts.

The school has a Safeguarding and Child Protection Policy which is reviewed annually and there was documentary evidence at the school to confirm that all members of staff have received a copy of the Policy, and have read and understood it.

With the exception of two members of staff there was evidence at the school to confirm that the Headteacher has provided all staff with updated Safeguarding training in September 2019. However there was no record available to evidence the date that Level 1 training was last formally provided to all staff by an accredited training provider. This reports recommends that a central record of training be developed to demonstrate the date and level of training undertaken alongside individual staff names and expiry dates. Should formal Level 1 training now be required, arrangements should be made for this to be provided as soon as possible.

The school make use of the EVOLVE system to record details of all off-site visits; however, this review has identified that school trips are not always authorised in accordance with the document 'Planning and Approval Procedures for Educational Visits'. This report recommends that all trips / activities are entered onto EVOLVE within the correct timescales and are authorised in the correct manner (as this had not been adhered to for 3 of the 5 trips examined).

#### School Private Fund

***The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.***

A Management Committee has been appointed and posts held relate to actual duties undertaken; however one of the Fund Auditors is also a cheque signatory. This is not permitted as the role of the Fund Auditor is to provide independent assurance and this would be compromised if they are also a cheque signatory. Arrangements should therefore be made to appoint an alternative Fund Auditor or cheque signatory.

The Treasurer maintains detailed records, with an adequate audit trail of all income and expenditure transactions. The Ledger was found to be of an appropriate format and was up to date at the time of the review. Income is banked regularly and the account is reconciled to the bank statements monthly.

Whilst all expenditure examined was supported by receipts / invoices, some items of expenditure had not been made in accordance with the School Private Fund Regulations and would have been more appropriately processed through the school budget or using the Purchase Card.

#### Purchase Card

***The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.***

There is one Purchase Card in operation at the school. A Transaction Log is maintained to record all expenditure and the card is reconciled on a timely basis (monthly) to the electronic bank statement. All purchases reviewed were supported with documentation i.e. VAT receipts, invoices, and confirmation for on-

line orders. The Purchase Card is currently not shared even though this is permitted by the Procurement Card Guidelines - the sharing of the Purchase Card may alleviate some of the expenditure issues in respect of the School Private Fund.

#### School Meals

***The control environment in relation to the School Meals system is considered to be effective.***

School meals income is recorded directly onto the Dinner Money system, with meal numbers provided to the Catering staff daily. Income is banked regularly and free school meals are only provided to pupils for whom eligibility has been confirmed and retained.

The school regularly send reminders to parents in respect of dinner money arrears and at the time of the visit no pupils had arrears in excess of the 2 week limit. It was however noted that the school are not following the School Meals Arrears Recovery Protocol in that for the previous academic year, only 2 out of 6 returns were submitted to Education Finance. This report recommends that in accordance with the Protocol these are submitted to Education Finance on a ½ termly basis.

#### Data Protection & Security

***The control environment in relation to Data Protection & Security is considered to be effective.***

The school is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. Audit testing identified that the school's inventory has not been updated for a number of years and this report recommends that an up to date inventory of school assets / equipment be undertaken immediately.

#### Formula Funding

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	The Headteacher has not been formally delegated a limit for spending or making virements between budget headings. The Headteacher has been in post since 1st September 2018.	The Governing Body should confirm a scheme of delegation, to formally record the Head teacher's financial limits for expenditure. The agreed limits should be minuted and be incorporated into the School's Financial Procedures document.	Implemented
5.1.2 Low	The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 3 LEA Governors.  Examination of the Governing Body structure revealed that there are currently 2 LEA Governor vacancies.	The School should endeavour to fill the 2 LEA Governor vacancies as soon as possible.	Implemented
5.1.3 Medium	The minutes relating to a number of Governing Body sub-committee meetings not clerked by the Governor Support Officer were examined. For each meeting, attendance sheets for Governors had not been completed / retained:  <ul style="list-style-type: none"> <li>• 27.11.18 – Human Resources sub committee</li> <li>• 09.01.19 - Policy Review sub committee</li> <li>• 21.01.19 - School Standards sub committee</li> <li>• 12.03.19 - Health &amp; Safety</li> <li>• 17.07.19 - Policy Review</li> <li>• 15.10.19 - Policy Review</li> </ul>	For all Governing Body sub-committee meetings not clerked by the Governor Support Officer, attendance sheets must be completed. These should be retained at the school to demonstrate that decisions have been made in meetings that are quorate, have been attended by the correct members and to comply with statutory requirements.	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.2.1 Medium	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should....ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'</p> <p>Although there is evidence at the school that refresher Safeguarding training was provided to all (but 2) members of staff during September 2019, it was not possible to establish when formal Level 1 training was last provided to all staff.</p> <p>Note – The current requirements for Level 1 training are that this should be undertaken by the whole school on a three yearly basis. It is strongly advised that this training is undertaken by an accredited trainer provided and booked through the training department based at Rock Grounds, Aberdare.</p>	<p>The school should develop a central training record to demonstrate the date and level of training alongside individual staff names, together with renewal dates.</p> <p>This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p> <p>The Headteacher should establish the last date that Level 1 training was formally provided and should this require renewal, arrangements should be made for this to be undertaken as soon as possible.</p>	Implemented
5.2.2 Medium	<p>The 'Planning and Approval Procedures for Educational Visits' advises that where visits are residential, abroad or involve demanding environments and/or adventurous activities, they must be 'planned and approved using the Evolve system at least 28 days before the visit'.</p> <p>From a sample of 5 trips chosen for examination, the following was noted:</p>	<p>Staff should be reminded that trip information should be collated on a timely basis to allow the EVC to approve the trip and submit the details to the Local Authority for approval within the required timescales.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> <li>Panty Park 25.6.19 - remains at EVC status so was not authorised.</li> <li>Llangrannog 2019 - authorised within the correct timescales.</li> <li>Manor Adventure 2019 - authorised within the correct timescales.</li> <li>Llangrannog 18.5.18 - not authorised within the correct timescales</li> <li>Miskin Mill 30.6.17 - not authorised within the correct timescales</li> </ul>		
5.3.1 Medium	<p>One of the cheque signatories is also named as a Fund Auditor.</p> <p>Furthermore there are only 2 signatories on the account, both of whom are required to sign cheques.</p>	<p>The Headteacher should consider adding a third cheque signatory to the Private Fund.</p> <p>Furthermore, the existing cheque signatories should either be amended or a replacement signatory appointed to allow the Fund Auditor to remain sufficiently independent.</p>	Implemented
5.3.2 Medium	<p>A review of the School Private Fund expenditure for the current academic year identified the following items of expenditure that would be more appropriately purchased through the budget account:</p> <ul style="list-style-type: none"> <li>2.10.18 - £23.52 - reception broom, brushes, basket etc</li> <li>14.2.19 - £12.97 - tablecloth</li> <li>14.2.19 - £14.65 - Valentines - Jam bread butter</li> <li>18.2.19 - £64.71 - items for the den - pillows, material, curtains</li> <li>15.7.19 - £70.89 - years supply of flour and oil and 5 dolls</li> </ul>	<p>Items of this nature would be more appropriately financed through the school budget account or using the Purchase Card in future as they fall outside the scope of the School Private Fund. This would also allow any VAT in the purchase price to be reclaimed.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> <li>19.7.19 - £57.00 - purchase of sweatshirts / polo shirts for staff</li> </ul> <p>Note - It is accepted that money was received from staff to cover the cost of the purchase of sweatshirts / polo shirts and hence no cost was borne to the fund.</p>		
5.4.1 Medium	In accordance with the School Meals Arrears Recovery Protocols, all schools are required to submit a ½ termly return to Education Finance. However for the previous academic year only 2 from 6 returns were received.	The school should ensure that they submit their school meals arrears returns on a ½ termly basis, in accordance with the Arrears Protocol.	Implemented
5.5.1 Medium	The School's inventory has not been updated for approximately 3 years.	<p>A full inventory review of all school equipment should be undertaken as soon as possible.</p> <p>Thereafter an annual review should be carried out to ensure that the record is accurate and up-to-date.</p>	Implemented

**AUDIT NAME: PENGEULAN PRIMARY SCHOOL**

**DATE FINAL REPORT WAS ISSUED: 21/01/2020**

### INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Penguelan Primary School was last subject to an Internal Audit Review in June 2015 and this is the fourth cyclical visit made to the School to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this Final Report will be presented to the Full Governing Body at the Spring Term meeting on 2nd March 2020.

### SCOPE & OBJECTIVES

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers

### AUDIT OPINION

#### Governance

***The control environment in respect of Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and its sub committees have the requisite number of members and quorate levels for meetings are achieved (nothing that there was one LEA vacancy). A Register of Business Interests is in place at the School and whilst this is updated annually a business declaration had not been completed by 1 Governor.

Whilst the Headteacher has been formally delegated a limit for virements, a limit for purchases has not been formally delegated; this report recommends that

the Governing Body confirm a scheme of delegation to formally record the Headteacher's financial limits for expenditure.

All statutory policies and documents are present at the school. Whilst the majority have been reviewed and presented to the Governing Body, there were 4 policies / documents that have not been formally reviewed by the Governing Body during the last 3 years. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being clearly detailed in the Governing Body minutes and the policy cover.

#### Safeguarding & Educational Visits

***The control environment in relation to Safeguarding and Educational Visits is considered to be effective.***

All staff received the appropriate clearances before commencing duties in their posts and have received Safeguarding and Child Protection training. The School have a Safeguarding and Child Protection Policy, which is reviewed annually, and there was documentary evidence at the school to confirm that all members of staff, currently in work, have received a copy of the Policy, and have read and understood it.

The school make use of the EVOLVE system to record details of all off-site visits. From a sample of residential trips examined, all trips and activities had been entered on to EVOLVE and submitted for approval within the correct timescales.

#### School Private Fund

***The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.***

The Treasurer maintains individual, detailed class income records and the Ledger was found to be of an appropriate format, and was up to date at the time of the review. However, although there is a central record of daily income in place at the school, it is not being used for its intended purpose as it is updated when income is deposited with the bank, and not upon receipt.

Audit testing identified that since December 2018, with only one exception, bankings are not undertaken in accordance with the recommended limits / timescales included within the School Private Fund Regulations. This report recommends that the school consider using the secure cash collection service, which is already in place at the school (for dinner money) to allow deposits in respect of the School Private Fund to be made in a safe environment, thus eliminating the risks associated with visits to the bank / post office.

For the current academic year all expenditure examined was solely for the benefit of the pupils / school, and in accordance with the School Private Fund Regulations. All items of expenditure examined were supported with receipts / invoices.

#### Purchase Card

***The control environment in relation to the Purchase Card is considered to be effective.***

There is one purchase card in use at the school. A Transaction Log is maintained to record all expenditure and was up to date at the time of the audit visit with details of the latest transactions.

Although a card sharing log is in place to document occasions where the card is used by other members of staff and is in the format required by the Procurement Service, it is not always completed by staff to indicate the times the card is borrowed and returned. Furthermore, a signature is not always provided to sign the card back in. All purchases reviewed were supported with documentation i.e. receipts, invoices, and confirmation for on-line orders.

#### School Meals

***The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.***

School meal income is recorded directly onto SIMS, with meal numbers provided to the Catering staff daily. Income is banked regularly, using the secure cash



collection service, and free school meals are only provided to pupils for whom eligibility has been confirmed and retained. The school regularly send reminders to parents in respect of dinner money arrears and Education Finance were provided with a ½ Termly report in accordance with the School Meals Arrears Recovery Protocol. At the time of the visit, there were no pupils with arrears in excess of the 2 week limit.

#### Data Security & Inventory

***The control environment in relation to Data Protection & Security is considered to be effective with opportunity for improvement.***

The school is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. Audit testing identified that the school's inventory has not been updated for a number of years and this report recommends that an up to date inventory of school assets / equipment be undertaken immediately.

#### Formula Funding

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

### **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	Whilst the Headteacher was formally delegated a limit for making virements between budget headings during the Full Governing Body meeting of the 20th November 2017, a purchasing limit has not been formally delegated. The Headteacher has been in post since 1st September 2017.	The Governing Body should confirm a scheme of delegation, to formally record the Headteacher's financial limits for expenditure. The agreed limits should be minuted and be incorporated into the School's Financial Procedures document.	Implemented
5.1.2 Low	Section 2.9 of the Scheme for Financing Schools states that:  'Governing bodies are required to establish a register of business interests...which lists for each member of the Governing Body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.	A Declaration of Business Interests for the Governor identified should be completed as soon as possible.  The school is reminded that if Governors are not present in a meeting then a postal declaration should be completed and returned to the school.	Implemented

	For the current academic year, a business declaration was completed by all Governors present in the Autumn Term meeting. Only one declaration was not completed for a Governor who was not present in the meeting.		
5.1.3 Low	<p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 3 LEA Governors.</p> <p>Examination of the Governing Body structure revealed that there is currently 1 LEA Governor vacancy.</p>	The school should endeavour to fill the Governor vacancy as soon as possible.	Implemented
5.1.4 Medium	<p>Whilst all policies / documents are in place at the school, and all have been subject to a review in recent months, not all have been formally endorsed by the Full Governing Body:</p> <ul style="list-style-type: none"> <li>• Equality Policy - 14.3.19</li> <li>• Freedom of Information - 24.6.19</li> <li>• Target Setting for Schools - 2020</li> <li>• School Prospectus - 2019</li> </ul>	<p>The policies and documents identified should be reviewed as soon as possible. Following review, they should be presented to the Full Governing Body for ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers (i.e. date reviewed, date to be reviewed, and signed and dated) as this will assist the Headteacher in forming a policy review schedule.</p>	Implemented
5.2.1 Low	<p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states:</p> <p>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and</p>	In respect of the 2 members of staff identified, the Headteacher should ensure that the policy is read on return from Maternity Leave and prior to the casual member of staff undertaking any duties at the school.	Implemented

	<p>understood the Child Safeguarding Policy.'</p> <p>Although there is a formal process in place for staff to sign to confirm that policies have been read and understood, there were 2 members of staff who have not signed to declare that the policy has been read, as they were either absent / or employed on a casual basis and have not been at the school.</p>		
5.3.1 Medium	<p>Although there is a central Record of Daily Income in place at the school, it is not being used for its intended purpose. While all income is recorded directly onto individual class income sheets which are created for each activity, the central Record of Daily Income is not updated until income is subsequently deposited with the bank (with the same information also being recorded on the Ledger).</p>	<p>In addition to the individual trip / activity records, a central Record of Daily Income should be maintained by the Treasurer. This form should be completed as and when the Treasurer receives any income, including the date the income is received.</p> <p>When income is subsequently banked the amounts should be totalled and ruled off.</p>	Implemented
5.3.2 Medium	<p>Examination of the income banked since December 2018 identified that bankings are not being made in accordance with the limits/timescales included within the SPF Regulations. The most significant of these are:</p> <ul style="list-style-type: none"> <li>• 15.07.19 - £949.50</li> <li>• 25.06.19 - £535.00</li> <li>• 24.05.19 - £1286.00</li> <li>• 19.03.19 - £532.65</li> <li>• 25.03.19 - £2000.00</li> <li>• 30.01.19 - £1387.00</li> <li>• 14.12.18 - £1851.55</li> </ul> <p>It is however acknowledged that income is securely retained whilst at</p>	<p>As the School is already using the secure cash collection service for collection of dinner money, consideration should be given to using the service for the School Private Fund.</p> <p>If this is deemed to be a feasible option, then contact should be made with the Council's Bank Reconciliation Team to discuss moving the School Private Fund bank account to the Council's banker and eliminate the risks associated with making deposits at the bank.</p>	Implemented

	the school.		
5.4.1 Medium	Although a log is maintained each time the Purchase Card is shared with other members of staff, it is not always completed correctly in that the times the card is returned is not always completed and staff do not always sign the card back in.	On occasions where a member of staff requires the use of the card, care should be taken to ensure that the formal signing in / out record includes the times the card is taken and returned together with the signature of the member of staff.	Implemented
5.5.1 Medium	The school's inventory has not been updated for a number of years.	A full inventory review of all school equipment should be undertaken as soon as possible.  Thereafter an annual review should be carried out to ensure that the record is accurate and up-to-date.	Implemented
<b>AUDIT NAME: YGG ABERDAR</b>			
<b>DATE FINAL REPORT WAS ISSUED: 27/01/2020</b>			
<p><b>INTRODUCTION</b></p> <p>The self-evaluation process is designed to evaluate the effectiveness of a school's financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.</p> <p>YGG Aberdar was last subject to an Internal Audit Review in November 2014 and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.</p> <p>The Headteacher has confirmed that this report will be presented to the full Governing Body at their 9th March 2020 meeting.</p>			
<p><b>SCOPE &amp; OBJECTIVES</b></p> <p>The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.</p> <p>The objectives of the review are:</p> <ul style="list-style-type: none"> <li>• To review the governance arrangements in place at the school.</li> <li>• To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions</li> </ul>			

with a view to Safeguarding.

- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the school are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's IT equipment are restricted, that computer hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

## AUDIT OPINION

### Governance

***The control environment in respect of Governance is considered to be effective with opportunity for improvement.***

All statutory policies were present at the time of the audit and the Headteacher reported that all policies are reviewed annually. However for some of the policies it was unclear as to when they had been presented to the Governing Body due to the lack of detail in the meeting minutes. All policy documents are retained electronically on a global Google Drive folder that is available to all school staff. However as a result of these being held electronically they have not been formally endorsed with a signature and instead have typed names.

Signed Committee minutes were present in respect of all Governing Body and sub-committee meetings. However, instances were noted where some sub-committee meeting minutes had not been signed/initialled by the Chair of Governors.

The Register of Business Interests had been completed at the full Governing Body meeting of the 22nd October 2019, however there were 4 outstanding declarations at the time of audit. The declarations in respect of the previous year were also present at the School as evidence of the procedure in place.

There are currently 3 vacancies on the Governing Body for which the school should continue to canvass to fill.

### Safeguarding & Educational Visits

***The control environment in respect of Safeguarding & Educational Visits is considered to be effective with opportunity for improvement.***

The school has a Child Protection Policy in place which was last reviewed and presented to the Governing Body in October 2019. All staff have signed to confirm that they have received, read and understood the policy.

There are currently 3 members of staff at the school who have been Level 3 trained and all current Level 3 training certificates were present at the time of the audit. Level 1 Safeguarding training was last provided to the school in January 2016 and this is therefore overdue having expired in January 2019. The Headteacher reported that he was aware that training was needed and in the process of arranging this.

Internal Audit is able to provide assurance that all staff at the school received a DBS clearance prior to commencing in post. The School use the EVOLVE system to document and authorise all planned trips and sports activities including rugby and swimming.

### School Private Fund

***The control environment in respect of the School Private Fund is considered to be insufficient and requires improvement.***

There is no formal process for recording all income received at the school. Whilst income in respect of trips is clearly recorded on an individual class list, for all other income received which does not relate to a trip or activity no formal record is maintained. As a consequence the amount of income banked (£3493) during the sample period examined was significantly higher than the income recorded on the individual class lists (£1815). This report recommends that a Record of Daily Income is introduced to record / summarise all income received in relation to individual trips or activities, plus all other income received directly.

Although a manual ledger is in place at the school this had not been updated since July 2019. This was subsequently updated during the review and this report recommends that going forward all income and expenditure is updated to the ledger at least weekly, with transactions reconciled to the bank statements upon receipt.

All expenditure incurred within the sample period was solely for the benefit of the pupils however there were 4 occasions noted totalling £240 where no supporting documentation was available. A Record of Expenditure Without a Receipt Form should be used on occasions where no receipt is provided or has been lost or misplaced.

The latest annual certificate was submitted to Education Finance in November 2019. The accounts were due to be presented to the Governing Body at the October 2019 meeting, however due to staff sickness the accounts were not available for presentation until after this date and will therefore be presented at the Spring Term 2020 meeting.

Purchase Card

***The control environment in respect of the Purchase Card is considered to be effective with opportunity for improvement.***

The school has three Purchase cards in operation. All purchases reviewed during the sample period September 2019 to date were supported with documentation i.e. receipts, VAT invoices, online orders. It was pleasing to note that the school are actively requesting invoices for purchases made via Amazon and Amazon Marketplace and VAT invoices were present for all sampled transactions. All transactions had been 'reviewed' and 'authorised' on the Barclaycard system apart from the most recent transactions (in current billing period).

It was noted that a single, manual Transaction Log is in operation for all three cards and this is a continuous list of transactions. It was difficult to establish which of the three cards had been used for each transaction as there is no means of identification recorded, which makes the reconciliation process more time consuming when comparing to the Barclaycard system.

This report recommends that for ease of reference either the cardholder's initials or last digits of the card number are recorded against each transaction. It is also recommended that the transaction log is split into manageable monthly periods as opposed to a continuous list. This log should also be used as part of the monthly reconciliation process and signed and dated as correct.

There is no signing in and out sheet used at the school and the cards are not shared with other staff.

School Meals

***The control environment in respect of the School Meals system is considered to be effective with opportunity for improvement.***

School meals income is recorded directly onto SIMS daily with meal numbers provided daily to Catering staff. Income is banked on a weekly basis. Weekly Catering Returns are completed and signed each week by the Headteacher. However it was noted that no Weekly Banking Return is completed as the school was unaware of this requirement.

The school regularly issue reminders for school meal arrears via the 'school to parents' messaging service and at the time of the audit there were 30 pupils with

arrears in excess of the 2 week limit. The school are submitting ½ termly Catering Returns in respect of arrears.

Bankings are currently undertaken weekly and due to the size of the school (in excess of 400 pupils) a significant amount of cash can be received. The school may wish to consider utilising the Loomis Secure Collection Service to collect both school meals income and private fund income in future or promote the use of the online payment facility to parents, should this become unmanageable in future.

#### Purchasing

***The control environment in respect of Purchasing is considered to be effective with opportunity for improvement.***

The majority of purchases are made by the school using the purchase card. However it was noted that the School has an F111 Order Book in operation and this is used in most cases for recording payments such as lease agreements, annual subscriptions and other payments that are currently being paid using the purchase card. The use of an official order where payments have already been made using the Purchase Card is an unnecessary duplication and not required.

#### Formula Funding

***The control environment in respect of Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

#### Data Security & Inventory

***The control environment in respect of the School Meals system is considered to be effective with opportunity for improvement.***

The school is currently registered with the Information Commissioner (expiry date June 2020). School data is backed up daily to RCT servers using an automated process. The school Inventory is currently maintained by the Headteacher however it was noted that it does not contain locations of equipment or serial numbers. ICT equipment present at the school has been asset registered by RCT. Some equipment has been security marked using micro dots but this is not consistently applied.

Implementation of the recommendations contained within this report will enhance the control environment further.

### SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 Medium	<p>All statutory policies were in place at the school and the Headteacher has a policy review process in place.</p> <p>All policy documents are retained electronically via a shared Google Drive folder which is accessible by all school staff.</p> <p>However, it was difficult to identify when some of these policies were ratified / presented to the Governing Body as it was difficult to identify this from the Governing Body minutes.</p>	<p>Any policies or documents that are updated / amended should be presented to the Governing Body for ratification with a record held of this (and recorded via the minutes). Details should be captured on the document covers i.e. date reviewed, date to be reviewed, signed and dated etc.</p>	Implemented

5.1.2 Medium	<p>The Government of Maintained Schools (Wales) 2005 Regulation, Part 7 states that: '(2) The minutes of the proceedings must be entered into a book kept for the purpose by the clerk and may be entered on loose-leaf pages consecutively numbered; but in that case the person signing the minutes must initial each page. Signed copies of all minutes are required to be retained at the School'.</p> <p>A review of the governing body minutes identified occasions where the sub-committee minutes had not been signed by the Chair of Governors. Examples of this are the Finance sub-committee meetings of 6th March 2019 and 26th September 2018.</p>	In accordance with statutory requirements all original, signed documents and minutes (both full Governing Body and sub committees) should be retained at the school in a central file with each sheet consecutively numbered and signed by the Chair of Governors.	Implemented
5.1.3 Medium	<p>Section 2.9 of the Scheme for Financing Schools states that: 'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</p> <p>Although a register has been established, it was noted that 4 Governors have yet to complete a declaration for the current academic year.</p>	<p>A Declaration of Business Interests should be completed on an annual basis which details the business interests of all Governors, the Headteacher and any other staff who may influence financial decisions at the School.</p> <p>A Declaration should be completed immediately in respect of the 4 Governors identified.</p>	Implemented
5.1.4 Low	<p>The membership of governing bodies is set out in chapter 3 of the Government of Maintained Schools (Wales) Regulations 2005. This specifies that the composition of the Governing Body should consist of either 13 or 17 Governors. It was confirmed in the Instrument of Government that the school's Governing Body should consist of 13</p>	<p>The School should continue to endeavour to fill the 3 Governor vacancies as soon as possible.</p>	Implemented



	<p>members.</p> <p>Examination of the current Governing Body structure revealed that there are currently only 10 Governors in post at this time.</p>		
<p>5.2.1</p> <p>High</p>	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>The current requirements for safeguarding training are that Level 1 &amp; 2 needs to be reviewed every 3 years and facilitated by RCT with Level 3 being trained every 2 years (in house refresher training can also be provided as and when required by Level 3 trained staff).</p> <p>All training certificates are held by the Headteacher and all current Level 3 training certificates were present at the time of audit. It was however identified that while Level 1 training was provided to the whole school in January 2016 no certificate was available. In accordance with the training requirements this training is due for renewal having expired in January 2019.</p> <p>(Note - Although the Headteacher retains training certificates no central training record is currently maintained).</p>	<p>The Headteacher should ensure that Level 1 refresher training is arranged for staff as soon as possible.</p> <p>The Headteacher should develop a central training record, to formally demonstrate the date and level of safeguarding training alongside individual staff names. This would then be supported by the individual training certificates, attendance registers.</p>	<p>Implemented</p>

<p>5.3.1 High</p>	<p>There is currently no central Record of Daily Income maintained at the school. Instead separate income records are maintained in respect of each individual trip / activity, with each of the class records updated by the School Clerks to indicate the pupil's name and amount received.</p> <p>A review of the income received and banked for the current academic year (as per the bank statements) revealed that £3,493 was banked during this time.</p> <p>The individual trip records for the same period however showed income to the value of £1,815 being receipted at the school.</p> <p>The difference of £1,678 was found to relate to income that was not directly attributed to an individual trip or activity, hence had not been recorded on any individual trip records:</p> <ol style="list-style-type: none"> <li>1. 1st Day School Photos</li> <li>2. Urdd Memberships</li> <li>3. Valley's Sport Summer Activities</li> <li>4. WCW (welsh magazine)</li> </ol> <p>Discussions with the School Clerks revealed that they were unaware that income of this nature should also be receipted. Instead this income is directly recorded in the Paying in Book and banked.</p>	<p>In addition to the individual class trip / activity records, a central Record of Daily Income should be maintained. This form should be completed as and when the School Clerks receive any income directly, and also to record the daily totals of the individual trips (the detail of which is already included on the trip/activity records)</p> <p>When income is subsequently banked the amounts should be totalled and ruled off.</p> <p>N.B. It is acknowledged that a Record of Daily Income was introduced at the school following the audit visit.</p>	<p>Implemented</p>
<p>5.3.2 High</p>	<p>In accordance with the School Private Fund Regulations all income / expenditure entries should be recorded in a fund ledger and allow for prompt reconciliation within each financial period.</p> <p>A review of the ledger in place at the school revealed that it had not been completed since July 2019. Hence no income / expenditure transactions had been recorded in respect of the current academic year.</p>	<p>All income and expenditure should be promptly recorded on the private fund ledger.</p> <p>The completion of an up to date ledger will enable an appropriate reconciliation to take place upon receipt of the bank statements.</p>	<p>Implemented</p>

		The school may wish to consider using the electronic version of the ledger which is emailed to all schools annually by Education Finance and has provision for all required information to be recorded.	
5.3.3 Medium	<p>A review of the private fund expenditure for the current academic year revealed the following occasions where no supporting receipts / invoices were present:</p> <p>Cheq No:022106 – Cartref Blaendal - £100          Cheq No: 022108 – Urdd - £50          Cheq No: 022112 – CVSFA - £40          Cheq No: 022113 – Brecon Mt RW - £50</p> <p>Furthermore, there is no ‘Record of Expenditure Without a Receipt’ form in use at the school to record occasions where receipts / invoices are not provided or have been lost or mislaid.</p>	<p>Wherever possible a receipt / invoice should be obtained to support all expenditure incurred.</p> <p>On occasions where this is not possible (or where a receipt has been lost or mislaid), a ‘Record of Expenditure Without a Receipt’ form should be introduced. Each transaction should be signed by two members of staff to verify the amount and nature of the spend.</p> <p>An example of this form is included within the School Private Fund Regulations.</p>	Implemented
5.4.1 Low	<p>A review of the school meals income records revealed that whilst copies of the Weekly Catering Returns were present at the school (and had been signed by the Headteacher) there were no Weekly Banking Returns present.</p> <p>Discussion with the School Clerk revealed that she was unaware of the requirement that these needed to be completed.</p>	<p>A person independent of the process of collecting and recording dinner money received (i.e. Headteacher or a senior member of staff) should regularly review the central Dinner Money record (and subsidiary records) and cross-reference to the deposits made at the bank to ensure that these are complete and accurate and that all Dinner Money received has been deposited promptly.</p> <p>At the end of each week, the Weekly Banking Return should be signed to certify that the</p>	Implemented

		<p>record is a true reflection of collections and deposits that have occurred.</p> <p>N.B. This is in addition to the Weekly Catering Return which is currently being completed accordingly.</p>	
5.5.1 Low	<p>Discussions at the school and a review of equipment revealed that all equipment is asset registered by RCT. However while some equipment is security marked (i.e. micro dots have been used to identify the school name) this is not always done. One instance was noted where an item of equipment was marked as the property of the school using a piece of paper secured with sellotape.</p> <p>Staff also reported that not all equipment has such markings.</p>	<p>Care should be taken to ensure that all equipment of value is adequately marked for security purposes.</p> <p>Examples of methods available include micro dots or ultraviolet pen.</p>	Implemented
5.5.2 Low	<p>Whilst the school has an inventory in place which details the number of ICT items present, the information is limited in respect of location details and where equipment is held (i.e. room/class numbers). Furthermore the corresponding serial numbers of equipment are currently not recorded.</p> <p>There is an Inventory facility within the SIMS system which can be used for recording equipment at the school.</p>	<p>The Headteacher should consider using the Inventory facility within the SIMS system to maintain the school inventory. The Headteacher should liaise with SIMS Support to establish the best way to facilitate this going forward and ensure that both the location and serial numbers of equipment are recorded.</p>	Implemented
5.6.1 Medium	<p>The school currently has three purchase cards held by the following individuals:</p> <ul style="list-style-type: none"> <li>• Headteacher</li> <li>• School Clerk</li> <li>• Caretaker</li> </ul>	<p>The transaction log should be split into monthly periods and separate logs should be used for each card. This will assist the reconciliation process when comparing individual entries to the bank statements. For ease of reference either the cardholder's initials or last digits of the card number could</p>	Implemented

	<p>A transaction log is in place at the school and was found to be up to date at the time of audit (with the exception of the most recent transactions). However, this was found to be one continuous list of transactions with no clear distinction from month to month. It is also used for all three purchase cards with no clear method of identifying which card relates to each transaction.</p> <p>Little evidence was also available to confirm that a regular reconciliation of the purchase cards has taken place.</p>	<p>be recorded against each transaction</p> <p>For each monthly period, the log can be printed and retained along with the respective period bank statements and supporting documentation. Both the Transaction Log and bank statements should be signed and dated as evidence of when and by whom the reconciliation was undertaken.</p>	
<p>5.7.1</p> <p>Low</p>	<p>The official F111 Order Book is currently not being used for its intended purpose.</p> <p>Instead it is being completed in respect of payments made using the Purchase Card for payments such as lease agreements and annual subscriptions.</p> <p>Discussion at the school also identified that there are concerns regarding use of the Purchase Card for items of expenditure at the end of the Summer Term due to the school holidays (as the school is closed they are unable to review and authorise any transactions that are processed during the school holidays). This also has implications in respect of the VAT breakdown of the expenditure and the ability of the Council to reclaim VAT on those transactions.</p>	<p>The F111 Order Book should not be used to record details of purchases made using the Purchase Card.</p> <p>It should only be used for its intended purpose of ordering items from suppliers who do not accept the purchase card and require an official order number.</p> <p>The F111 book should only be used when ordering items from Suppliers who do not accept the Purchase card or require an Official Order number. These should be less and less.</p> <p>The Purchase Card Administrator has confirmed that any payments that require processing during the summer holidays can be done centrally by the Procurement Service, provided that the school has provided the necessary payments details before the end of term. This will also allow any VAT included in the purchase price to be reclaimed.</p>	<p>Implemented</p>

**AUDIT NAME: PENYRENGLYN COMMUNITY PRIMARY SCHOOL****DATE FINAL REPORT WAS ISSUED: 17/02/2020****INTRODUCTION**

The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Penyrenghlyn Community Primary School was last subject to an Internal Audit Review in April 2015 and this is the fourth cyclical visit made to the school to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at their Summer Term 2020 meeting.

**SCOPE & OBJECTIVES**

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

The objectives of the review are:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

**AUDIT OPINION****Governance**

***The control environment in respect of Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and its sub committees have the requisite number of members and quorate levels for meetings are achieved. A Register of Business Interests is in place at the school and is updated annually.

The Governing Body has formally delegated financial limits to the Headteacher for virements between budget headings and also for purchases.

All statutory policies and documents were present at the school. Whilst the majority have been reviewed and presented to the Governing Body, there were 2 policies that have not been formally reviewed by the Governing Body during the last 3 years, and 2 documents which should have been subject to an annual review. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being clearly detailed in the Governing Body minutes and recorded on the policy cover.

#### **Safeguarding & Educational Visits**

***The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.***

All staff received the appropriate clearances before commencing duties in their posts and have received Safeguarding and Child Protection training. The school has a Safeguarding and Child Protection Policy, which is reviewed annually, and there was documentary evidence at the school to confirm that all members of staff, have received a copy of the Policy, and have read and understood it. However, the names of the Officers responsible for Child Protection have either been typed or an electronic signature added to the Policy; hence there is no evidence that the Policy has been formally endorsed by the appropriate Officers. The school make use of the EVOLVE system to record details of all off-site visits; however, this review has identified that school trips are not always authorised in accordance with the document 'Planning and Approval Procedures for Educational Visits'. This report recommends that all trips / activities are entered onto EVOLVE within the correct timescales and are authorised in the correct manner (as this had not been done for 2 of the 4 trips examined).

#### **School Private Fund**

***The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.***

The Treasurer currently maintains both a manual and electronic ledger to record transactions (as a double check that entries are correct). Whilst the manual ledger was found to be up to date at the time of the visit it does not allow for a running account balance to be recorded and whilst the electronic ledger does have provision for this detail it had not been updated for the current academic year. This report recommends that the electronic ledger be used as the main accounting system for the School Private Fund and that this is updated on a regular basis.

Although the Treasurer maintains individual, detailed class income records there is no central Record of Daily Income in place at the school. Instead income from each individual class is directly recorded in the ledger when a banking is undertaken.

For the current academic year whilst all expenditure was supported by receipts/invoices, some items of expenditure had not been made in accordance with the School Private Fund Regulations and would have been more appropriately processed through the school budget or using the Purchase Card. The school should also consider adding another cheque signatory as there are currently only two authorised signatories (both of whom are required to sign a cheque) and this could result in delays during staff absences.

#### **Purchase Card**

***The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.***

There is one Purchase Card in operation at the School. A Transaction Log is maintained to record all expenditure and the card is reconciled on a timely basis (monthly) to the electronic Bank Statement. All purchases reviewed were supported with documentation i.e. VAT receipts, invoices, and confirmation for on-line orders. The Purchase Card is currently not shared even though this is permitted by the Procurement Card Guidelines - the sharing of the Purchase Card may alleviate some of the expenditure issues in respect of the School Private Fund.

#### **School Meals**

***The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.***

School meals income is recorded directly onto SIMS, with meal numbers provided to the Catering staff daily. Income is banked regularly and free school meals are only provided to pupils for whom eligibility has been confirmed and retained.

The school regularly send reminders to parents in respect of dinner money arrears and Education Finance are provided with a ½ Termly report in accordance with the School Meals Arrears Protocol.

#### **Data Security & Inventory**

***The control environment in relation to Data Protection & Security is considered to be effective and there are no findings contained within this report.***

The school is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. Audit testing identified that the school's inventory is reviewed and updated annually.

#### **Formula Funding**

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

### **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1  Medium	<p>The school's Safeguarding Policy was reviewed by the Governing Body on 2nd October 2019.</p> <p>While there is provision on the front cover for the Policy to be signed by the designated members of staff and Governors with Child Protection responsibility, it was noted that an electronic signature had been inserted for the Governor with responsibility for Child Protection (also the Chair of Governors), and for all other designated Officers the names had been typed.</p>	<p>Following its annual review, the school Safeguarding Policy should be signed (not electronically) and dated by the Chair of Governors, the Governor with responsibility for Child Protection and each designated member of staff. This will ensure that all appropriate Officers have formally acknowledged their responsibilities as set out within the Policy.</p>	Implemented
5.1.2  Medium	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits/adventurous activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'.</p> <p>From a sample of 4 trips examined, 2 were identified whereby formal</p>	<p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip</p>	Implemented



	<p>authorisation from the Outdoor Education Advisor had not been obtained within the correct timescales due to a delay at the school:</p> <ul style="list-style-type: none"> <li>• 17.10.19 - Urdd City Sleepover - not updated and authorised on EVOLVE until 25.9.19</li> <li>• 19.06.19 - Year 6 Manor Adventure - correctly updated and authorised by 20.5.19</li> <li>• 11.7.18 - Year 6 Manor Adventure - not authorised until 18.6.18</li> <li>• 12.6.17 - Study Experience trip to London - correctly authorised on 2.3.17</li> </ul>	arrangements are appropriate.	
5.2.1 Medium	<p>The minutes relating to a number of Governing Body sub-committee meetings not clerked by the Governor Support Officer were examined. For each meeting, attendance sheets for Governors had not been completed / retained:</p> <ul style="list-style-type: none"> <li>• 17.01.19 - Curriculum and Standards Committee</li> <li>• 15.01.18 - Health and Safety</li> <li>• 12.09.18 - Curriculum and Standards</li> <li>• 28.03.18 - Curriculum and Standards</li> <li>• 06.12.17 - School Development Plan meeting</li> <li>• 30.11.17 - Health and Safety</li> <li>• 04.04.17 - School Development Plan</li> </ul>	For all Governing Body sub-committee meetings not clerked by the Governor Support Officer, attendance sheets must be completed. These should be retained at the school to demonstrate that decisions made in meetings are quorate, have been attended by the correct members and to comply with statutory requirements.	Implemented
5.2.2 Low	<p>All statutory policies and documents are in place at the school.</p> <p>However, it was not evident within the Governing Body minutes that the Special Educational Needs Policy (dated June 2015) and the Governors Allowances policy (dated May 2012) had been reviewed within the last 3 years.</p> <p>Furthermore, the Assessment Arrangements document which should</p>	<p>The policies and documents identified should be reviewed as soon as possible. Following review, they should be presented to the Full Governing Body for ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers (i.e. date reviewed, date to</p>	Implemented

	<p>have an annual review, has not been reviewed since March 2016, and the Target Setting for Schools (which should also be subject to an annual review) had not been reviewed as required.</p>	<p>be reviewed, and signed and dated) as this will assist the Headteacher in forming a policy review schedule.</p>	
<p>5.3.1 Medium</p>	<p>The entries in the School Private Fund ledger in respect of income / expenditure should allow for prompt reconciliation within each financial period.</p> <p>The Treasurer currently maintains both a manual and electronic ledger as a double check that entries are correctly recorded.</p> <p>While the manual ledger was up to date at the time of the visit this does not have provision for a running balance to be recorded. The electronic ledger does have provision for this information to be recorded, however had not been updated for the current academic year.</p> <p>Discussion at the school revealed that they are considering using the electronic ledger going forward for all transactions (this is also the format recommended by Education Finance).</p>	<p>The school should consider utilising the electronic ledger format recommended by Education Finance as the main ledger, as this allows for all transactions to be recorded in the appropriate format.</p> <p>Care should be taken to ensure that all income and expenditure transactions are promptly recorded in the ledger (using the electronic version the balance is updated automatically).</p> <p>If however the school decide to continue with a manual ledger an additional column should be added to allow a running balance to be maintained following each transaction.</p>	<p>Implemented</p>
<p>5.3.2 Medium</p>	<p>There is no central Record of Daily Income maintained at the school by the Treasurer.</p> <p>Currently, separate income records are maintained in respect of each individual class according to the trip or activity with details of the date and amount recorded.</p> <p>When income is subsequently deposited at the bank, it is recorded on the ledger.</p>	<p>In addition to the individual trip / class records, a central Record of Daily Income should be maintained by the Treasurer. This form should be completed to record the total amounts received from each class, plus any additional income received that does not relate to a trip or activity.</p> <p>When income is subsequently banked the</p>	<p>Implemented</p>

		amounts should be totalled and ruled off.	
5.3.3 Medium	<p>A review of the School Private Fund expenditure for September to November 2019 identified the following items of expenditure that would be more appropriately purchased through the budget account:</p> <ul style="list-style-type: none"> <li>• 104309 - Storage Boxes - £135.23</li> <li>• 104310 - Shelving tables / chair - £242.00</li> <li>• 104311 - Ikea Shelving - £216.85</li> <li>• 104314 - Hose Reel / plug lead - £64.30</li> <li>• 104315 - utensils / crafts / shovel - £280.98</li> <li>• 104316 - boxes / nursery portfolios / hessian storage / entrance garden - £205.27</li> </ul>	Items of this nature would be more appropriately financed through the school budget account or using the Purchase Card in future as they fall outside the scope of the School Private Fund. This would also allow any VAT in the purchase price to be reclaimed.	Implemented
5.3.4 Low	There are only 2 cheque signatories for the School Private Fund and both signatures are required to authorise a cheque.	The school should consider adding an additional cheque signatory to ensure that cheques can always be authorised and issued promptly.	Implemented
<b>AUDIT NAME: YNYSHIR PRIMARY SCHOOL</b>			
<b>DATE FINAL REPORT WAS ISSUED: 26/02/2020</b>			
<b>INTRODUCTION</b>			
<p>The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.</p> <p>Ynyshir Primary School was last subject to an Internal Audit Review in April 2015 and this is the fourth cyclical visit made to the school to examine progress made under the self-evaluation process.</p> <p>The Headteacher has confirmed that that the Final report will be presented to the Full Governing Body in their Spring Term meeting on 4th March 2020.</p>			
<b>SCOPE &amp; OBJECTIVES</b>			

The checklist for non-chequebook primary schools comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

#### AUDIT OPINION

##### Governance

***The control environment in respect of Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and are reviewed annually. A Register of Business Interests is in place at the school with all current declarations present at the time of the review. There are currently 3 vacancies on the Governing Body (1 Parent Governor, 1 Community Governor and 1 LEA Governor) which the school should continue to endeavour to fill.

The Headteacher has been formally delegated a limit for spending and making virements between budget headings and all Governing Body minutes and sub-committee minutes were appropriately signed.

Whilst all statutory policies and documents are present at the school and demonstrate a review by the Headteacher and Chair of Governors, there are 5 policies that have not yet been presented to the full Governing Body for formal ratification. There are also 2 statutory documents that should be subject to an annual review that have not been reviewed within the last 12 months.

##### Safeguarding & Educational Visits

***The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.***

Good practice is noted in that the school has established relevant Safeguarding and Child Protection Policies both of which were in place at the time of the audit review. It is acknowledged that following the last annual review (Autumn Term 2018) and following ratification by the Governing Body, the Policy was discussed during a staff meeting and staff are aware of the Policy. However, no formal record has been made to demonstrate that each member of staff had read the Policy, and furthermore, the Policy has not been signed as required by all appropriate Officers responsible for the Policy.

The school received Level 1 Safeguarding and Child Protection training during March 2018, however, a review of the attendance sheet identified 11 current

staff members who were not present for the latest training.

A record is held at the school of staff who have been DBS checked and audit testing confirmed that no staff commenced employment at the school prior to the completion of the required pre-employment checks.

The school make use of the EVOLVE system to record details of all off-site visits. Care should be taken to ensure that all trips and activities are entered on to EVOLVE and submitted for approval within the correct timescales as this had not been done for the 4 trips examined.

#### School Private Fund

***The control environment in relation to the School Private Fund is considered to be effective and there are no findings contained within this report.***

A Management Committee has been established and the appointments made accurately reflect the roles and responsibilities of staff at the school. The latest annual certificate was completed and returned to Education Finance in accordance with the timescales recommended within the School Private Fund Regulations.

The Treasurer maintains detailed records, with an adequate audit trail of all income and expenditure transactions. The Ledger was found to be of an appropriate format, and was up to date at the time of the review.

Income is banked regularly and the school are actively promoting the online payment facility for school trips to reduce the amount of physical cash received at the school. All expenditure examined during the sample period was solely for the benefit of the pupils / school and in accordance with the School Private Fund Regulations. All items of expenditure examined were supported with receipts / invoices.

#### Purchase Card

***The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.***

There is one purchase card in use at the school. A Transaction Log is maintained to record all expenditure and a card sharing log is in place to document occasions where the card is used by other members of staff. All purchases reviewed were supported with documentation i.e. receipts, invoices, and confirmation for on-line orders and no delays with the reconciliation to the Barclaycard system were noted.

#### School Meals

***The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.***

School meals income is recorded directly onto SIMS, with meal numbers provided to the Catering staff daily. Income is banked regularly and testing identified that free school meals are only provided to those for whom eligibility has been confirmed. The school meal income records are regularly reviewed by the Headteacher to ensure that these are complete, accurate and agree with deposits made at the bank.

The school regularly send reminders to parents in respect of dinner money arrears and Education Finance are provided with a ½ Termly report in accordance with the School Meals Arrears Recovery Protocol.

#### Data Protection & Security

***The control environment in relation to Data Protection & Security is considered to be effective and there are no findings contained within this report.***

The school is registered with the Information Commissioner and data is backed up regularly. School ICT equipment is adequately asset tagged and all iPads are tracked using the Miraki Tracker system which enables the Headteacher to identify the location of all iPads at any point in time.

#### Formula Funding

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

<p>Pupil numbers were reviewed and no discrepancies were noted. Implementation of the recommendations contained within this report will enhance the control environment further.</p>			
<b>SUMMARY OF RECOMMENDATIONS:</b>			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1  Low	<p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 4 Parent Governors, 3 LEA Governors and 3 Community Governors.</p> <p>Examination of the Governing Body structure revealed that there is currently 1 Parent Governor vacancy, 1 LEA Governor vacancy and 1 Community Governor vacancy.</p>	The School should endeavour to fill the 3 Governor vacancies as soon as possible.	Implemented
5.1.2  Medium	<p>All statutory policies and documents are in place at the school.</p> <p>However, it was not evident within the Governing Body minutes that some of the policies / documents had been formally endorsed by the Governing Body:</p> <ul style="list-style-type: none"> <li>• Charging Policy</li> <li>• Curriculum Policy</li> <li>• Data Protection Policy</li> <li>• Strategic Equality Plan 2017 - 2020</li> <li>• Special Educational Needs policy</li> </ul> <p>Furthermore, the Assessment Arrangements document and the School Prospectus which should be subject to an annual review, have not been reviewed annually as required.</p>	<p>The policies and documents identified should be reviewed as soon as possible. Following review they should be presented to the full Governing Body for ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers (i.e. date reviewed, date to be reviewed, and signed and dated) as this will assist the Headteacher in forming a policy review schedule.</p>	31 July 2020

<p>5.2.1</p> <p>Medium</p>	<p>Point 3.1 of the (CTSCB) Model Safeguarding Policy (that should be adopted by schools) states:</p> <p>'The Designated Senior Person (DSP) for Child Protection will...Ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</p> <p>The 2019/2020 Safeguarding Policy was reviewed by the Governing Body during the Autumn Term 2019 meeting. However while there is provision on the front cover for the Policy to be signed by the designated Officers and Governors with Child Protection responsibility, this has not been done.</p> <p>It was also noted that while all staff have been made aware of the Policy, a record has not been maintained to demonstrate that each member of staff has received, read and understood the Policy (which is a requirement of the Policy).</p>	<p>Following its annual review, the School Safeguarding Policy should be signed and dated by the Chair of Governors, the Governor with responsibility for Child Protection and each designated Officer. This will ensure that all appropriate Officers have acknowledged their responsibilities as set out within the policy.</p> <p>The Designated Senior Person should also ensure that all members of staff sign to confirm that they have received, read and understood the Policy. Good practise would be to introduce a proforma with all staff names included and attached to the Master Safeguarding Policy and held within the Safeguarding file.</p>	<p>31 July 2020</p>
<p>5.2.2</p> <p>Medium</p>	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should...ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>The current requirements for Level 1 training are that this should be undertaken by the whole school on a three yearly basis. It is strongly advised that this training is undertaken by an accredited trainer provided and booked through the training department based at Rock Grounds, Aberdare.</p>	<p>Level 1 training should be arranged for the 11 members of staff identified as soon as possible.</p> <p>Good practice would be to introduce a formal training record at the school. The document should be updated as and when training is delivered / received alongside staff names together with the level obtained and expiry date. This could be incorporated into the Child Protection Policy to allow any gaps / refresher training required to be easily identified to coincide with the Policy's annual review.</p>	<p>31 July 2020</p>

	<p>In house refresher training can also be provided as and when required by suitably trained Level 3 staff.</p> <p>Although there was documentary evidence to support that Level 1, Level 2 and Level 3 training has been undertaken by various staff at the school, 11 members of staff were identified for which no formal evidence of Level 1 training was available.</p>		
5.2.3 Medium	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits/adventurous activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'. From a sample of 4 trips examined, formal authorisation from the Headteacher and / or Outdoor Education Advisor had not been recorded on EVOLVE in accordance with the recommended timescales:</p> <ul style="list-style-type: none"> <li>• Manor Park 26.3.18 - trip entered onto EVOLVE 8.2.18 but not sent to the Headteacher for authorisation or the Outdoor Education Advisor until after the trip had concluded.</li> <li>• St Fagans 21.3.19 - Trip remains at 'Staff Status' hence the trip went ahead / concluded without formal authorisation at the school.</li> <li>• Manor Park 10.4.19 - Trip entered onto EVOLVE on 20.3.19 but not approved by the Headteacher and the Outdoor Education Advisor until 18.6.19.</li> <li>• Manchester Art Trip 28.9.19 - Trip entered onto EVOLVE on 27.9.19 but not approved by the outdoor Education Advisor until after the trip had concluded.</li> </ul>	Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales and authorised at the school correctly, in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate.	31 July 2020



**AUDIT NAME: TREALAW PRIMARY SCHOOL****DATE FINAL REPORT WAS ISSUED: 12/03/2020****INTRODUCTION**

The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Trealaw Primary School was last subject to an Internal Audit Review in November 2014 and this is the fourth cyclical visit made to the school to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this report will be presented to the full Governing Body at the next meeting on 19th March 2020.

**SCOPE & OBJECTIVES**

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school using transactions processed during financial year 2019/20.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2020 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

**AUDIT OPINION**Governance

***The control environment in relation to Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. There are currently 5 vacancies on the Governing Body which the school should endeavour to fill. A Register of Business Interests is in place at the school, updated annually and was found to be complete for all 8 current Governors.

The Headteacher was formally delegated a limit for making virements between budget headings and incurring expenditure when appointed to the post 12 years ago.

All statutory policies and documents are present at the school and demonstrate a recent review by the Headteacher. There are however 2 policies and 3 documents which were reviewed recently which have yet to be presented to the Governing Body for formal review and endorsement. This should be done at the next scheduled meeting.

#### Safeguarding & Educational Visits

***The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.***

Testing identified that all staff received the appropriate clearances before commencing duties in their posts.

The school has a Safeguarding and Child Protection Policy which is reviewed annually and there was documentary evidence at the school to confirm that all members of staff have received a copy of the Policy, and have read and understood it.

Although it was established that Level 1 training was provided to the whole school on 30th September 2019, the school were unable to demonstrate that 5 members of staff have received the training. Furthermore, whilst there are 4 members of staff who have received Level 3 Safeguarding training, no certificates were available at the School for 3 of these (although there is an email confirmation for each). For the fourth member of staff the training expired in June 2019 and should therefore be renewed. This reports recommends that arrangements be made for formal Level 1 training to be provided to the 5 members of staff identified as soon as possible and that a central record of training be developed to demonstrate the date and level of training undertaken alongside individual staff names, and expiry dates to allow an easier assessment of training requirements in future.

The school make use of the EVOLVE system to record details of all off-site visits and from a sample of trips examined, all had been authorised correctly in accordance with the document 'Planning and Approval Procedures for Educational Visits'.

#### School Private Fund

***The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.***

A Management Committee has been established and the positions held relate to actual duties undertaken. Consideration should be given to adding another cheque signatory as there are currently only two authorised signatories (both of whom are required to sign a cheque) and this could result in delays during staff absences. All income is recorded directly onto individual income sheets which are created for each activity within the fund. However, there is no central Record of Daily Income maintained detailing the combined total. The Ledger was found to be of an appropriate format and was up to date at the time of the review. Income is banked regularly and the account reconciled to the bank statements monthly.

There is an adequate audit trail of expenditure transactions and all expenditure examined was supported by receipts, and was in line with the School Private Fund Regulations. It was however noted that the school is being charged for every transaction made within the current account as the account held is a Business Account. This report recommends that consideration be given to transferring the funds to a Community Account where no charges are levied. At the same time, the balance remaining in the deposit account which has lay dormant for a number of years should be transferred and the deposit account closed.

#### Purchase Card

***The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.***

There is one Purchase Card in operation at the school. A Transaction Log is maintained to record all expenditure and the card is reconciled on a timely basis (monthly) to the electronic Bank Statement. All purchases reviewed were supported with documentation i.e. VAT receipts, invoices, and confirmation for on-

line orders, and for all cash withdrawn, an adequate expenditure record is maintained. The Purchase Card is currently not shared between staff although this is permitted in the Procurement Card Guidelines. Whilst no recommendation is made within this report; the sharing of the Purchase Card between staff may alleviate some of the administrative work associated with maintaining a Petty Cash sub account, which is currently in operation at the school.

#### School Meals

***The control environment in relation to the School Meals system is considered to be effective and there are no findings contained within this report.***

School meals income is recorded directly onto the Dinner Money system, with meal numbers provided to the Catering staff daily. Income is banked regularly and free school meals are only provided to pupils for whom eligibility has been confirmed and retained.

The school regularly send reminders to parents in respect of dinner money arrears and at the time of the visit 5 pupils had arrears in excess of the 2 week limit.

#### Data Protection & Security

***The control environment in relation to Data Protection & Security is considered to be effective and there are no findings contained within this report.***

The school is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. Audit testing identified that the school's inventory is up to date.

#### Formula Funding

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

### **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	<p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 3 LEA Governors, 3 Community Governors and 4 Parent Governors.</p> <p>Examination of the Governing Body structure revealed that there is currently 1 LEA Governor vacancy, 2 Community Governor Vacancies and 2 Parent Governor Vacancies.</p>	The school should endeavour to fill the 5 Governor vacancies as soon as possible.	Implemented

<p>5.1.2</p> <p>Medium</p>	<p>All statutory policies and documents are in place at the school.</p> <p>However, it was not evident within the Governing Body minutes that the Data Protection Policy (dated September 2019) and the Assessment Arrangements Policy (dated November 2019) had been presented to the Governing Body for formal review and endorsement.</p> <p>Furthermore, the School Prospectus (not dated), Target Setting for Schools Policy (March 2018) and Porth Community School Transition Plan which should have been subject to an annual review, have not been reviewed.</p>	<p>The policies and documents identified should be reviewed as soon as possible. Following review, they should be presented to the Full Governing Body for ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers (i.e. date reviewed, date to be reviewed, and signed and dated) as this will assist the Headteacher in forming a policy review schedule.</p>	<p>Implemented</p>
<p>5.2.1</p> <p>High</p>	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should....ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>The current requirements for Level 1 training are that this should be undertaken by the whole school on a three yearly basis. It is strongly advised that this training is undertaken by an accredited trainer provided and booked through the training department based at Rock Grounds, Aberdare.</p> <p>In house refresher training can also be provided as and when required by suitably trained Level 3 staff.</p> <p>Although it was established that formal Level 1 training was provided to the whole school on 30th September 2019, the school were unable to demonstrate that 5 members of staff were in attendance for the training.</p>	<p>Arrangements should be made for Level 1 training to be provided to the 5 members of staff identified as soon as possible.</p> <p>Arrangements should also be made for Level 3 training to be provided to the member of staff whose training has expired.</p> <p>Staff should be reminded to ensure that certificates for any Safeguarding training attended should be obtained immediately following the course and retained at the school.</p> <p>The school should develop a central training record to demonstrate the date and level of training alongside individual staff names, together with renewal dates. This could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the policy's annual review.</p>	<p>Implemented</p>

	<p>Furthermore, whilst there are 4 members of staff at the school who have received Level 3 Safeguarding training, no certificates were available for 3 of the staff (although there is an email confirmation for the course attended), and for the fourth member of staff, the training expired in June 2019 and therefore requires renewal.</p>		
5.3.1 Medium	<p>There are 2 bank accounts held in respect of the School Private Fund, a Business Current account and a Business Premium account (current balance £395.69 and has laid dormant for a number of years). With regard to the Business Current Account the school is being charged for every transaction made: for the period September 2019 to December 2019, the school has incurred charges of £57.89.</p> <p>Furthermore, there are only 2 cheque signatories for the School Private Fund and both signatures are required to authorise a cheque.</p>	<p>The school should consider closing the Business Premium Account and transferring the £395.69 balance to the current account. Furthermore, the school should also look into the feasibility of transferring from the Business Current Account to a Community Account in order to eliminate incurring transaction charges.</p> <p>In the meantime, the school should also add an additional cheque signatory to ensure that cheques can always be authorised and issued promptly.</p>	Implemented
5.3.2 Medium	<p>There is no central Record of Daily Income maintained at the school by the Treasurer.</p> <p>Currently, separate income records are maintained in respect of each individual class according to the trip or activity with details of the date and amount recorded.</p> <p>When income is subsequently deposited at the bank, it is recorded collectively on the ledger.</p> <p>Note. Assurance can be provided that all income received during the sample period examined was banked.</p>	<p>In addition to the individual trip / class records, a central Record of Daily Income should be maintained by the Treasurer. This form should be completed to record the total amounts received from each class, plus any additional income received that does not relate to a trip or activity.</p> <p>When income is subsequently banked the amounts should be totalled and ruled off.</p>	Implemented

5.4.1  Medium	<p>Point 6.1 of the Cardholder Manual for Schools states:</p> <p>'Each Purchasing Card transaction should be recorded on your transaction log as soon as the transaction is complete to ensure that no information is omitted.'</p> <p>The Transaction Log is currently updated following receipt of the on-line Bank Statement and not as and when a purchase is made.</p>	<p>In line with the Cardholder Manual, the transaction log should be updated as and when a Purchase Card payment is made, which will enable the transactions listed on the log to be reconciled to the Barclays system monthly.</p>	Implemented
<b>AUDIT NAME: MAESGWYN SPECIAL SCHOOL</b>			
<b>DATE FINAL REPORT WAS ISSUED: 23/01/2020</b>			
<p><b>INTRODUCTION</b></p> <p>Maesgwyn Special School is a school providing education for pupils aged 3 - 19 with profound, moderate, severe and complex medical needs. It is one of 4 special schools within Rhondda Cynon Taf. There are currently 137 pupils on roll.</p> <p>Maesgwyn Special School was last subject to an Internal Audit Review in October 2014.</p> <p>The Headteacher has confirmed that this report will be presented to the Full Governing Body at their Spring Term meeting on 5th March 2020.</p>			
<p><b>SCOPE &amp; OBJECTIVES</b></p> <p>All financial systems operating at the school were reviewed with particular emphasis given to major sources of income and expenditure, and activities relating to the operation of the School Private Fund.</p> <p>Audit testing was carried out on a sample of transactions made during 2018/19 and 2019/20, to ensure that fundamental controls are present and operating satisfactorily.</p> <p>The objectives of the review are:</p> <ul style="list-style-type: none"> <li>• To review the Governance arrangements in place at the school.</li> <li>• To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.</li> <li>• To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.</li> <li>• To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.</li> <li>• To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed</li> </ul>			

up and free meals only provided where entitlement has been confirmed by the Council.

- To ensure that all orders raised by the school are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

#### AUDIT OPINION

##### Safeguarding & Educational Visits

***The control environment in respect of Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.***

The school has a Child Safeguarding Policy in place which was presented to and ratified by the Governing Body in October 2019.

There are currently four members of staff at the school who have received Level 3 training. The school's Designated Safeguarding Officer confirmed that Level 1 Safeguarding training was provided to all school staff in May 2019. However, the attendance list has not been signed to confirm who attended the training (which is a requirement of the Child Safeguarding Policy).

Testing identified that all staff directly employed by the school received the appropriate clearances before commencing duties in their posts.

The school make use of the EVOLVE system to record details of off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'. Examination of a sample of trips on EVOLVE showed that these had all been authorised in accordance with the designated timescales.

##### Governance

***The control environment in respect of Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. While all Statutory Policies and Documents were present at the time of the audit, no evidence that six of these Policies had been presented to the Governing Body was available.

Committee minutes were present in respect of all Governing Body and sub-committee meetings held. At the time of the audit the Register of Business Interests had been completed appropriately apart from two Governors. There are currently four vacancies on the Governing Body for which the school should continue to canvass to fill.

No evidence was available to confirm that the Governing Body has approved the delegated financial spending limits for staff at the school (except from virements which has been delegated to the Headteacher). These limits should be reviewed, updated and included in the School's Financial Procedures document upon completion.

##### Purchasing

***The control environment in respect of Purchasing is considered to be effective with opportunity for improvement.***

There is currently no Financial Procedures document in place at the school. This reports recommends that the roles and responsibilities of staff are incorporated into a Financial Procedures document which should be endorsed by the Governing Body and issued to all staff. Orders are currently raised

either over the telephone or online and while the school has confirmed that all orders are supported with an order requisition (authorised by the Headteacher) as these are not retained assurance cannot be given that all expenditure has been formally authorised by the Headteacher.

#### Purchase Card

***The control environment in respect of Purchase Card is considered to be effective with opportunity for improvement.***

There are two Purchase Cards in operation at the school. During the sample period examined four purchases were identified which were not supported with a receipt or voucher totalling £140.00. As with the process for orders, the school confirmed that order requisitions are completed for all purchases made (authorised by the Headteacher). However as these are not retained the process for authorisation cannot be evidenced.

Transaction Logs and Card Sharing Logs are maintained at the school, however these were not in an appropriate format. Examples of a Transaction Log and Card Sharing Log have been provided to the school and should be introduced immediately. There is no evidence at the school to confirm a reconciliation is undertaken of all purchases made and this report recommends that this is evidenced in future by way of a date and signature on the Transaction Log, and the process undertaken by an independent person for transparency.

This report has also identified that card details are being stored on online accounts, allowing purchases to be made without the need to physically obtain the card. While all transactions were accounted for this practice contravenes protocol and should be discontinued. The use of Fuel Cards was also identified and it is recommended that the use of these cards be discontinued and the Purchase Card used.

#### School Meals

***The control environment in respect of School Meals is considered to be effective with opportunity for improvement.***

At the time of audit, while pupil school meals income and arrears was being monitored and collected appropriately, the level of staff school meals arrears was excessive (£492.26). This was found to relate to 36 members of staff and is not in compliance with the Council's School Meals Arrears Recovery Protocols. Assurance can be provided that all pupils in receipt of a free school meal are entitled to do so.

#### Formula Funding

***The control environment in respect of Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted, with returns accurately completed and submitted.

#### Data Security & Inventory

***The control environment in respect of Data Security & Inventory is considered to be effective and there are no findings contained within this report.***

The school has an up to date registration under the Data Protection Act 2018 and have an up to date Inventory.

#### School Private Fund

***There is no School Private Fund in operation at the school.***

Implementation of the recommendations contained within this report will enhance the control environment further.



SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent Schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>The Headteacher confirmed that Level 1 Safeguarding refresher training had been provided to all school staff on 16th May 2018. However, no manual signed register of attendance has been completed. The school are therefore unable to evidence the training undertaken at the school.</p>	<p>A formal signed record should be maintained each time any member of staff at the school undertakes any Safeguarding Training.</p> <p>This will allow the assessment of training requirements to be easily identified and ensure that a formal record is available.</p>	Implemented
5.2.1 Medium	<p>While all Statutory Policies and documents were in place at the school, for the following 6 Policies it was not possible to identify if they had been presented and ratified by the Governing Body due to the lack of information or detail included on the Policy document cover/supporting minutes. These were: -</p> <ul style="list-style-type: none"> <li>• Charging Policy - Policy last Updated 21/7/2017</li> <li>• Complaints Procedure - Policy last Updated 21/7/2019</li> <li>• Pupil Discipline Policy - Policy last Updated 13/9/2018</li> <li>• Careers Education - Policy last Updated 19/9/2018</li> </ul>	<p>Any Policies that are updated/amended should be presented to the Governing Body for ratification with a record held of this (recorded via the minutes).</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> <li>Freedom of Information Publication Scheme - Policy last Updated 24/9/2019</li> <li>Target Setting for Schools - Policy last Updated 13/9/2018</li> </ul>		
5.2.2 Medium	<p>At the time of audit the Governing Body had not formally confirmed the financial limits of delegated authority for individual members of staff who incur expenditure (i.e. raising orders and approving payments).</p> <p>Additionally, the Headteacher has been delegated a limit of £5,000 for virements (although from discussion, the Headteacher thought this limit was higher).</p>	<p>The school's Financial Procedures (as recommended in 5.3.1) should be updated to include the names of staff who can make purchases on behalf of the school along with the delegated financial limits.</p> <p>Once updated, this Policy should be presented to the Full Governing Body for approval.</p>	Implemented
5.2.3 Low	<p>Section 2.9 of the Scheme for Financing Schools states that:</p> <p>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Headteacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process'.</p> <p>Although a register has been established, no declaration was present for 2 Governors.</p>	<p>A declaration of business interests register should be completed on an annual basis which details the business interests of all Governors, the Headteacher and any other staff who may influence financial decisions at the school.</p> <p>Care should be taken to ensure that a declaration is completed by every Governor as soon as possible after the start of each academic year or when new Governors are appointed.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.2.4 Low	<p>The membership of Governing Bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005. This specifies that the composition of the Governing Body should consist of 13 Governors for this school. There are currently 4 vacancies at the School: -</p> <ul style="list-style-type: none"> <li>• 2 LEA Governors</li> <li>• 2 Community Governors</li> </ul>	The school should continue to endeavour to fill the Governor vacancies as soon as possible.	Implemented
5.3.1 Medium	The school does not have a Financial Procedures document.	<p>A Financial Procedures document should be introduced at the school and include details of the system processes and individual staff responsible within each area of the school's financial administration.</p> <p>Once completed, the document should be presented to the Governing Body and its approval minuted in the Governing Body minutes.</p>	Implemented
5.3.2 High	<p>Orders are currently made via telephone or online. Invoices received are subsequently sent to Education Finance for payment with a copy of the invoice retained at the school.</p> <p>Whilst the Office Manager stated that order requisitions are completed and authorised by the Headteacher for all orders raised, these have not been retained at the school since the school become non-chequebook in April 2019. The Office Manager confirmed these are destroyed and</p>	<p>The school should ensure that for all orders raised for goods and services an official order is raised, authorised by the Headteacher and a copy retained. Alternatively, the school could utilise the Purchase Card for more items of expenditure in future.</p> <p>All staff should be reminded of this process</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	therefore there is no evidence available to verify that all orders have been correctly authorised. Additionally as no orders are retained, there is no evidence available to suggest checks have been made to the subsequent invoice and delivery note.	going forward.	
5.4.1 Medium	<p>A review of purchase card expenditure for the period April 2019 until the time of audit revealed the following instances whereby no receipts/invoices were obtained/retained for purchases made. These include:</p> <ul style="list-style-type: none"> <li>• 5/6/2019 - 2nd hand water pump - £20 cash</li> <li>• 5/6/2019 - Attendance Rewards - £100 cash</li> <li>• 5/6/2019 - Animal Feed Delivery Charge - £5 cash</li> <li>• 13/11/2019 - Tesco - £15.00</li> </ul> <p>Additionally, no Expenditure Without Receipt Form is completed in the absence of receipts or where receipts have been lost or mislaid.</p>	<p>It should be ensured that receipts/invoices are retained for all purchases, including where VAT is applicable. Where a receipt is not obtained or has been lost or mislaid an Expenditure Without Receipt Form should be completed and signed by two members of staff.</p> <p>If a VAT receipt cannot be obtained and it is unknown as to whether the individual / company is VAT registered, it should be assumed that they are not, and therefore the gross amount should be treated as outside the scope.</p>	Implemented
5.4.2 Medium	<p>Section 6 of the 'Cardholder Manual for Schools' document issued by Procurement Services states that: -</p> <p>'Each Purchasing Card transaction should be recorded on the transaction log as soon as the transaction is complete to ensure that no information is omitted'.</p>	<p>Transaction Logs should be introduced for each of the Purchase Cards in a format recommended by the Procurement Service.</p> <p>An appropriate Transaction Log format was provided to the School during the audit review.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Whilst 2 Transaction Logs are in place at the school (one for each of the 2 Purchase Cards) neither are maintained in the correct format. Additionally, it was identified that the Office Manager is completing both logs, collating receipts for both cards, and also undertaking the reconciliation of the Transaction Logs, hence is responsible for the complete process.</p> <p>Section 7 of the 'Cardholder Manual for Schools' document also states:</p> <p>"Cardholders must check that the bank statements match those on the transaction log".</p> <p>Discussion at the school revealed that while a reconciliation of Purchase Card expenditure takes place, there is no evidence at the School to support this i.e. no evidence of reconciliation on the Transaction Logs.</p>	<p>Additionally, in order to ensure that there is an adequate segregation of duties each Transaction Log should be updated by the respective card holder, with the reconciliation exercise carried out by a different member of staff. The Transaction Log should be signed and dated as evidence of this process.</p>	
5.4.3 High	<p>Although a Cardsharing Log is maintained each time the Purchase Card is shared with other members of staff, it is not being maintained in the format recommended by the Procurement Service.</p> <p>Additionally, it was established that Card details are being stored on online accounts, with purchases then being made by staff without obtaining the Purchase Card to make these purchases. Examples identified included purchases made at Tesco.</p>	<p>Purchase Card details should not be stored on online accounts.</p> <p>On occasions where a member of staff requires use of the card, care should be taken to ensure that the formal signing in / out record is completed and updated to include the times the card is taken and returned together with the signature of the member of staff.</p> <p>A copy of the correct document to be used was provided to the school during the audit review.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.4.4 Medium	The School have 3 Fuel Cards for use by staff at the local petrol station to purchase fuel for the school minibus, without the need to raise an order or use the Purchase Card. The School then receives a monthly invoice in respect of the purchases made, which are retrospectively authorised.	The school should cease using Fuel Cards.  The school should only make purchases using the Purchase Card or Purchase Orders. Additional Purchase Cards should be obtained to facilitate this requirement if deemed necessary.	Implemented
5.5.1 High	Examinations of the pupil and staff School Meals arrears identified that that whilst pupil meals are at manageable levels and in accordance with the Arrears Protocols, 36 members of staff currently have arrears totalling £492.26 (with the highest being £54.85).  Discussions at the school identified that these are likely to have occurred due to varying practices at the school (some staff order and pay for a meal at the same time, some staff pay later and others go directly to the kitchen and order with the cook).  Additionally, it was established that some staff members on the list of arrears no longer work at the school (although the majority are still employed).	Where arrears are in excess of the prescribed limits, then as per recovery protocols, these should be formally referred to Catering Finance for further recovery action.  Details of the current arrears should be submitted to Catering Finance immediately and termly thereafter.  It is not considered appropriate to use the delegated School budget to fund staff meals and alternative arrangements should be made in future.  It should be ensured that all staff meal arrears are collected as soon as possible.	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.5.2  High	<p>Banking and Catering Returns should be printed and signed by the Headteacher on a weekly basis and sent to Catering Finance.</p> <p>However, for the period September 2019 to the time of audit it was established that Weekly Banking and Catering Returns have not always been printed and / or retained.</p> <p>Additionally, it was established that the banking returns are not always signed by the Headteacher when they are printed and retained on file. For example: w/c 30/9/2019.</p> <p>NOTE: - It is acknowledged that staff sickness may have been a contributory factor with the temporary realignment of duties during this period.</p>	<p>The School Clerk should ensure Catering and Banking Returns are printed and retained on file every week.</p> <p>The Headteacher should subsequently sign these returns to confirm the income received and banked reconciles to meals taken.</p>	Implemented

**AUDIT NAME: YGG TONYREFAIL**
**DATE FINAL REPORT WAS ISSUED: 05/05/2020**
**INTRODUCTION**

The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Ysgol Gynradd Gymraeg Tonyrefail was last subject to an Internal Audit Review in June 2015 and this is the fourth cyclical visit made to the school to examine progress made under the self-evaluation process. In September 2018 the school relocated to the site of the former Tonyrefail Primary School.

The Headteacher has confirm that this report will be presented to the Full Governing Body during the Autumn Term.

**SCOPE & OBJECTIVES**

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards

applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

#### AUDIT OPINION

##### **Governance**

***The control environment in relation to Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing and are reviewed annually. A Register of Business Interests is in place at the school with all current declarations present at the time of the review. There is currently 1 LEA vacancy on the Governing Body which the school should continue to endeavour to fill.

The Headteacher has been formally delegated a limit for making virements between budget headings but has not been delegated a financial limit for incurring expenditure. This report recommends that the Governing Body confirm a scheme of delegation to formally record the Headteacher's financial limits for expenditure in addition to virements.

All Governing Body minutes and sub-committee minutes clerked by the Governor Support Officer were appropriately signed, however for sub-committee meetings not clerked by the Governor Support Officer, inconsistencies with the clerking of these meetings were identified in that they were not always undertaken in accordance with statutory requirements e.g. not appropriately signed.

Whilst all statutory policies and documents are present at the school, there are policies that have not been presented to the full Governing Body for formal ratification within the last 3 years. There are also 2 statutory documents that should be subject to an annual review that have not been reviewed within the last 12 months.

##### **Safeguarding & Educational Visits**

***The control environment in relation to Safeguarding and Educational Visits is considered to be effective with opportunity for improvement.***

Good practice is noted in that the school has established relevant Safeguarding and Child Protection Policies both of which were in place at the time of the



audit review. However, there was no evidence available at the school to demonstrate that the staff have received, read, and understood the policy. The school received Level 1 Safeguarding and Child Protection training during September 2019, however a review of the attendance sheet identified 15 current staff members who were not present for the latest training.

A record is held at the school of staff who have been DBS checked and audit testing confirmed that no staff commenced employment at the school prior to the completion of the required pre-employment checks.

The school make use of the EVOLVE system to record details of all off-site visits. Care should be taken to ensure that all trips and activities are entered on to EVOLVE and submitted for approval within the correct timescales as this had not been done for 2 of the 3 trips examined.

#### **School Private Fund**

***The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.***

A Management Committee has been established and the appointments made accurately reflect the roles and responsibilities of staff at the school. The latest annual certificate was completed and returned to Education Finance in accordance with the timescales recommended within the School Private Fund Regulations.

The Treasurer maintains detailed records and these were up to date at the time of the review. However it was noted that the School Private Fund Ledger is not in accordance with the format recommended within the School Private Fund Regulations and eradicating fluid has also been used.

A review of bankings undertaken between September and December 2019 identified that these are not undertaken in accordance with the recommended limits / timescales included within the School Private Fund Regulations. This report recommends that the school consider using the secure cash collection service, which is already in place at the school (for dinner money) to allow deposits in respect of the School Private Fund to be made in a safe environment, thus eliminating the risks associated with visits to the bank / post office.

All items of expenditure examined were supported with receipts / invoices. However the Fund has been used to make payments to a sports coach for a number of years. This type of expenditure is not permitted via the School Private Fund and would be more appropriately financed through the school budget account in future. Furthermore, many occasions were noted whereby cash was withheld from income collected to provide pupils with refunds. Whilst these are clearly recorded and an audit trail is available, this is not permitted and alternative arrangements should be made in future for returning money.

#### **Purchase Card**

***The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.***

There is one purchase card in use at the school. A Transaction Log is maintained to record all expenditure and a card sharing log is in place to document occasions where the card is used by other members of staff. All purchases reviewed were supported with documentation i.e. receipts, invoices, and confirmation for on-line orders and no delays with the reconciliation to the Barclaycard system were noted.

#### **School Meals**

***The control environment in relation to the School Meals system is considered to be effective with opportunity for improvement.***

School meals income is recorded directly onto SIMS, with meal numbers provided to the Catering staff daily. Income is banked regularly and testing identified that free school meals are only provided to those for whom eligibility has been confirmed. The school meal income records are regularly reviewed by the Headteacher to ensure that these are complete, accurate and agree with deposits made at the bank.

The school regularly send reminders to parents in respect of dinner money arrears; it was however noted that the school are not following the School Meals

Arrears Recovery Protocol in that no return has been sent to Education Finance since the Spring Term 2019. This report recommends that in accordance with the Protocol these are sent to Education Finance on a half termly basis.

#### **Data Protection & Security**

***The control environment in relation to Data Protection & Security is considered to be effective and there are no findings contained within this report.***

The school is registered with the Information Commissioner and data is backed up regularly.

#### **Formula Funding**

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

### **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	Whilst the Headteacher was formally delegated a limit for making virements between budget headings during the Full Governing Body meeting of the 7th November 2017, a purchasing limit was not formally delegated.	The Governing Body should confirm a scheme of delegation to formally record the Headteacher's financial limits for expenditure. The agreed limits should be minuted and incorporated into the School's Financial Procedures document.	30 November 2020
5.1.2 Low	The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 3 LEA Governors.  Examination of the Governing Body structure revealed that there is currently 1 LEA Governor vacancy.	The school should endeavour to fill the 1 LEA Governor vacancy as soon as possible.	30 November 2020

<p>5.1.3</p> <p>Medium</p>	<p>The minutes relating to 13 Governing Body sub-committee meetings not clerked by the Governor Support Officer were examined. For each meeting attendance sheets for Governors had not been completed / retained.</p> <p>Audit testing also identified the following minutes had not been signed:</p> <ul style="list-style-type: none"> <li>• 15.1.19 - Governors meeting</li> <li>• 14.4.16 - Standards Committee</li> <li>• 20.1.16 - Health and Safety</li> <li>• 21.1.15 - Health and Safety</li> </ul> <p>A further review of the sub-committee minutes also identified:</p> <ul style="list-style-type: none"> <li>• 13.5.19 - Staff Disciplinary Committee - the minutes have been signed by the Chair of Governors, however apologies had been received for the meeting. It was also noted that this meeting was arranged to discuss a non-disciplinary matter (i.e. minutes incorrectly referenced).</li> <li>• 23.5.17 - Governors meeting – This meeting was arranged to discuss a staffing matter but no Governors were listed as being in attendance on the corresponding minutes.</li> </ul>	<p>It should be ensured that all sub-committee minutes are fully documented in the same format as the Full Governing Body minutes and presented to the Full Governing Body for formal ratification.</p> <p>Attendance sheets for all sub-committee meetings must be completed and decisions only made where meetings are quorate.</p> <p>All Governing Body committee and sub-committee minutes should be signed by the Chair of Governors.</p>	<p>Implemented</p>
<p>5.1.4</p> <p>Medium</p>	<p>All statutory policies and documents are in place at the school.</p> <p>However, it was not evident within the Governing Body minutes that all policies had been reviewed within the last 3 years and those that had been reviewed had not been formally ratified by the Full Governing Body:</p> <ul style="list-style-type: none"> <li>• Complaints Procedures - Dated Autumn 2019</li> <li>• Curriculum Policy - Dated Autumn 2016</li> <li>• Data Protection Policy - Dated Autumn 2019</li> </ul>	<p>The policies and documents identified should be reviewed as soon as possible. Following review, they should be presented to the Full Governing Body for ratification (and this should be minuted).</p> <p>Details of review should be captured on the document covers (i.e. date reviewed, date to be reviewed, and signed and dated) as this will assist the Headteacher in forming a policy</p>	<p>30 November 2020</p>

	<ul style="list-style-type: none"> <li>• Equality Policy - Dated Autumn 2017</li> <li>• Pupil Discipline Policy - Dated Autumn 2016</li> <li>• Special Educational Needs Policy - Dated Autumn 2016</li> <li>• Accessibility Plan 2019 – 2022</li> <li>• Freedom of Information Publication Scheme dated 2015</li> </ul> <p>Furthermore, the Assessment Arrangements document which should have been subject to an annual review, has not been reviewed since June 2015, and the Target Setting for Schools (which should also be subject to an annual review) has not been reviewed since the Autumn Term 2015.</p>	review schedule.	
5.2.1 High	<p>Point 3.1 of the (Cwm Taf Safeguarding Children Board) Model Safeguarding Policy (that should be adopted by schools) states:</p> <p>'The Designated Senior Person (DSP) for Child Protection will.....ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy.'</p> <p>No evidence was available at the school to demonstrate that staff have received, read and understood the Child Protection Policy.</p>	Following each annual review of the Child Protection Policy, the Designated Senior Person should ensure that all members of staff are provided with a copy of the Policy and sign to demonstrate that they have received, read and understood the policy. A copy of this should be retained centrally.	Implemented
5.2.2 Medium	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that 'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>Although it was established that formal Level 1 training was provided to</p>	<p>Arrangements should be made for the 15 members of staff identified to receive Level 1 training as soon as possible.</p> <p>The Headteacher should develop an electronic, central training record to demonstrate the date and level of safeguarding training alongside individual staff names. This could be incorporated into</p>	30 November 2020

	the whole school on 6th November 2019, the school was unable to demonstrate that 15 members of staff were present for the training.	the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review.	
5.2.3 Medium	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits/adventure activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'</p> <p>From a sample of 3 trips examined, 2 trips had not been authorised within the 28-day timescale:</p> <ul style="list-style-type: none"> <li>• <u>Llangrannog 20.9.19</u> Update onto EVOLVE - 16.7.19 Authorised by Head – 12.9.19 Authorised by LA – 12.9.19</li> <li>• <u>Dare Valley 18.7.19</u> Update onto EVOLVE - 14.7.19 Authorised by Head - 16.7.19 Authorised by LA – 17.7.19</li> </ul>	<p>The Headteacher is reminded that under Guidance for Educational Visits the Local Authority requires 28 days notice to process and approve all trips that involve overnight, overseas or adventurous activities.</p> <p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales and are authorised in the correct manner.</p>	Implemented
5.3.1 Medium	<p>The entries in the School Private Fund Ledger in respect of income / expenditure should allow for prompt reconciliation within each financial period. The ledger currently in use does not follow this format. At present income and expenditure transactions are recorded on separate cash books and no running balance with the bank account is maintained.</p> <p>Furthermore, a review of the Ledger identified instances where eradicating fluid has been used.</p>	<p>All expenditure transactions should be clearly recorded against any income received for the same period.</p> <p>To ensure that an accurate balance of the School Private Fund is maintained, an additional column should be added to the Ledger to allow a running balance to be maintained following each transaction.</p> <p>Eradicating fluid should not be used on prime financial documents. If a mistake needs to be</p>	30 September 2020

		<p>amended it should be crossed through and a new entry made.</p> <p>Consideration should be given to utilising the electronic ledger recommended by Education Finance as this has provision for the necessary information to be recorded.</p>	
5.3.2 Medium	<p>Examination of the income banked during the sample period September to December 2019 identified that bankings are not being made in accordance with the limits/timescales included within the School Private Fund Regulations:</p> <ul style="list-style-type: none"> <li>• 4.9.19 - £300.00</li> <li>• 16.9.19 - £3596.00</li> <li>• 8.10.19 - £476.57</li> <li>• 24.10.19 - £445.00</li> <li>• 20.11.19 - £820.00</li> <li>• 11.12.19 - £510.00</li> <li>• 16.12.19 - £97.02</li> </ul> <p>Furthermore, for the banking made on 16.09.19, this was in contravention of the School Private Fund Regulations which state that deposits in excess of £2,500 should be undertaken by 2 adults.</p> <p>It is however acknowledged that income is securely retained whilst at the school.</p>	<p>As the School is already using the secure cash collection service for collection of dinner money, consideration should be given to using the service for the School Private Fund.</p> <p>If this is deemed a feasible option, contact should be made with the Council's Bank Reconciliation Team to discuss moving the School Private Fund bank account to the Council's banker.</p>	Implemented
5.3.3 Medium	<p>Examination of the School Private Fund expenditure identified that regular payments are being made to a sports coach in respect of curriculum activities.</p>	<p>This type of expenditure should not be administered via the School Private Fund and would be more appropriately financed through the school budget account in future.</p>	Implemented

	Although it is accepted that the HMRC questionnaire was completed, this type of arrangement should not be administered via the School Private Fund. Since November 2015 an amount of £2755.00 has been paid to the Sports Coach from the School Private Fund.		
5.3.4 Medium	<p>Section 4.2 of the School Private Fund Regulations states that: ‘All monies collected must be banked intact, in order that income can be traced and reconciled to bankings.’</p> <p>Examination of the School Private Fund income records identified occasions where cash was withheld from income collected to provide pupils with refunds.</p> <p>Whilst it is accepted that all refunds were clearly recorded and an adequate audit trail maintained, this is not permitted by the Regulations.</p>	<p>All income received should be banked intact to ensure that it can be traced and reconciled to bankings.</p> <p>Alternative arrangements should be made in respect of making refunds in future, i.e. all payments made by cheque or financed from a cash float.</p>	30 September 2020
5.5.1 Medium	In accordance with the School Meals Arrears Recovery Protocols, all schools are required to submit a half termly return to Education Finance. No half term return has been received by Education Finance since the Spring Term 2019 (Easter).	The school should ensure that they submit their school meals arrears returns on a half termly basis, in accordance with the Arrears Protocol.	Implemented

**AUDIT NAME: YGG BODRINGALLT**

**DATE FINAL REPORT WAS ISSUED: 07/05/2020**

### INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements.

The process requires primary schools to complete a self-evaluation checklist against expected controls.

Ysgol Gynradd Gymraeg Bodringallt was last subject to an Internal Audit Review in May 2015 and this is the fourth cyclical visit made to the school to examine progress made under the self-evaluation process.

The Headteacher has confirmed that this Final report will be provided to the Full Governing Body at the next scheduled meeting.

### SCOPE & OBJECTIVES

The checklist for non-chequebook primaries comprises of 101 standards that need to be reviewed. Audit testing was carried out on a sample of standards applicable to the school, using transactions processed during financial years 2018/19 and 2019/20.

The objectives of the review are:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T equipment are restricted, that hardware and software is adequately protected and that the School and Governing Body are appropriately registered under the Data Protection Act 2018.

### AUDIT OPINION

#### Governance

***The control environment in relation to Governance is considered to be effective with opportunity for improvement.***

The roles and responsibilities of the Governing Body and its sub committees have been set out in writing. The Governing Body and its sub committees have the requisite number of members and quorate levels for meetings are achieved (noting that there is 1 LEA Governor vacancy). A Register of Business



Interests is in place at the school and whilst it is updated annually, business declarations had not been completed in respect of 2 Governors. The Headteacher has been formally delegated a limit for making virements between budget headings but not a limit for purchases. This report recommends that the Governing Body confirm a scheme of delegation to formally record the Headteacher's financial limits for expenditure.

With the exception of 1 policy, all statutory policies and documents were viewed at the school and demonstrate a recent review by the Headteacher. However, it could not be evidenced that all had been formally reviewed by the Full Governing Body within the last 3 years. This report recommends that when policies and documents are reviewed, they are presented to the Governing Body for ratification with this being clearly detailed in the Governing Body minutes.

#### Safeguarding & Educational Visits

***The control environment in relation to Safeguarding and Educational Visits is considered to be insufficient and requires improvement.***

Testing identified that all staff received the appropriate clearances before commencing duties in their posts.

The school has a Safeguarding and Child Protection Policy which is reviewed annually and there was documentary evidence at the school to confirm that all members of staff have received a copy of the Policy, and have read and understood it.

With the exception of the Headteacher, the Deputy Headteacher and 1 senior teacher, there was no evidence at the school of any other Safeguarding training undertaken by staff (although it is acknowledged that 4 members of staff had formal Level 1 training in 2016). This report recommends that Safeguarding training is arranged for all members of staff at the School as soon as possible. This report also recommends that a central record of training be developed to demonstrate the date and level of training undertaken alongside individual staff names and expiry dates.

The school make use of the EVOLVE system to record details of all off-site visits; however, this review has identified that school trips are not always authorised in accordance with the document 'Planning and Approval Procedures for Educational Visits'. This report recommends that all trips / activities are entered onto EVOLVE within the correct timescales and are authorised in the correct manner (as this had not been done for 1 of the 2 residential trips examined).

#### School Private Fund

***The control environment in relation to the School Private Fund is considered to be effective with opportunity for improvement.***

A Management Committee has been appointed and positions held relate to actual duties undertaken. Consideration should be given to adding another cheque signatory as there are currently only two authorised signatories (both of whom are required to sign a cheque) and this could result in delays during staff absences.

The Treasurer maintains detailed records; however, a review of the ledger revealed that it had not been updated since January (as it is updated on receipt of the bank statements). This also indicates that an effective bank reconciliation exercise is currently not being undertaken as records are completed retrospectively. Whilst income is currently recorded directly onto individual income sheets which have been introduced for each activity within the fund, there is currently no central Record of Daily Income maintained detailing the combined total.

All expenditure examined was supported by receipts / invoices and was incurred in accordance with the School Private Fund Regulations. However, there is currently £1000 held in the account in respect of a grant payment and arrangements should be made to transfer the money from the School Private Fund to the School Budget Account, and all transactions in respect of the grant be processed via the school budget account.

#### Purchase Card

***The control environment in relation to the Purchase Card is considered to be effective and there are no findings contained within this report.***

There are 2 Purchase Cards in operation at the school. Separate Transaction Logs are maintained to record all expenditure and the cards are reconciled on

a timely basis (monthly) to the electronic Bank Statements. All purchases reviewed were supported with documentation i.e. VAT receipts, invoices, and confirmation for on-line orders. The Purchase Cards are currently not shared between staff, although this is permitted by the Procurement Card Guidelines - the sharing of the Purchase Card may alleviate some of the expenditure issues anticipated in respect of the transactions associated with the grant payment received.

#### School Meals

***The control environment in relation to the School Meals system is considered to be effective with opportunity for improvement.***

School meals income is recorded directly onto the Dinner Money system, with meal numbers provided to the Catering staff daily. Income is banked regularly and for the sample period examined, assurance can be provided that all income received had been banked. Notwithstanding this, this review identified that no independent review of the Dinner Money records is currently undertaken and in the absence of an adequate independent review, discrepancies may not be identified.

Free school meals are only provided to pupils for whom eligibility has been confirmed and retained. The school regularly send reminders to parents in respect of dinner money arrears and at the time of the visit only 1 pupil had in excess of the 2 week limit. It was noted that the school are following the School Meals Arrears Recovery Protocol and that the Council is aware of the balance owed.

#### Data Protection & Security

***The control environment in relation to Data Protection & Security is considered to be effective with opportunity for improvement.***

The school is registered with the Information Commissioner. School data is backed up regularly and confidential data is kept securely. Audit testing identified that there is currently no school inventory and this report recommends that an inventory of all equipment is completed as soon as possible. It was also noted that a small stock of school ties is held at the school, however, no stock / income records are maintained.

#### Formula Funding

***The control environment in relation to Formula Funding is considered to be effective and there are no findings contained within this report.***

Pupil numbers were reviewed and no discrepancies were noted.

Implementation of the recommendations contained within this report will enhance the control environment further.

### **SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1  Medium	Whilst the Headteacher was formally delegated a limit for making virements between budget headings during the Full Governing Body meeting of the 13th November 2017, a purchasing limit was not formally delegated.	The Governing Body should confirm a scheme of delegation to formally record the Headteacher's financial limits for expenditure. The agreed limits should be minuted and incorporated into the School's Financial Procedures document.	Implemented

<p>5.1.2</p> <p>Medium</p>	<p>Section 2.9 of the Scheme for Financing Schools states that:</p> <p>'Governing bodies are required to establish a register of business interests...which lists for each member of the governing body and the Head Teacher any business interests they or any member of their immediate family have. The register must be kept up-to-date by notification of changes from governors and the Head Teacher, and through an annual review process.</p> <p>Although a register has been established by the school, no declarations were present for 2 current Governors.</p>	<p>A declaration of business interests register should be completed on an annual basis which details the business interests of all Governors, the Headteacher and any other staff who may influence financial decisions at the School.</p> <p>Declarations should be completed immediately in respect of the 2 Governors identified.</p>	<p>Implemented</p>
<p>5.1.3</p> <p>Low</p>	<p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should consist of 3 LEA Governors.</p> <p>Examination of the Governing Body structure revealed that there is currently 1 LEA Governor vacancy.</p>	<p>The school should endeavour to fill the 1 LEA Governor vacancy as soon as possible.</p>	<p>Implemented</p>
<p>5.1.4</p> <p>Medium</p>	<p>With the exception of 1 policy, all statutory policies and documents were viewed at the school. Whilst they demonstrate a recent review, not all policies / documents have been formally presented to the Governing Body for endorsement.</p> <p>It is accepted that reference to policies "to be reviewed by the Governors" has been made in the Headteacher's termly reports, no reference to the policies having been formally reviewed and accepted by the Governors is recorded in the correspond Governing Body minutes.</p>	<p>The Headteacher is reminded that following review of a school policy / document, the policy / document is presented to the Full Governing Body for ratification (and this should be minuted in the Governing Body minutes).</p>	<p>Implemented</p>

5.2.1 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should...ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>The current requirements for Level 1 training are that this should be undertaken by the whole school on a three yearly basis. It is strongly advised that this training is undertaken by an accredited trainer provided and booked through the training department based at Rock Grounds, Aberdare.</p> <p>In house refresher training can also be provided as and when required by suitably trained Level 3 staff.</p> <p>Although there was documentary evidence to support that Level 3 training has been undertaken by 3 of the 4 designated Safeguarding Officers, for 1 Officer, the Level 3 training had recently expired. No evidence of Level 3 training was produced in respect of the 4th designated Officer and furthermore, no evidence of any recent training for any other staff could be demonstrated.</p>	<p>Formal Level 1 training should be arranged for all staff immediately, and Level 3 training should also be arranged for the 2 designated Safeguarding Officers.</p> <p>The Headteacher should ensure that Safeguarding training is renewed as and when required for all members of staff and a central training record should be developed to demonstrate the date and level of safeguarding training alongside individual staff names (this could be incorporated into the Child Protection Policy to allow the assessment of training requirements to coincide with the Policy's annual review).</p>	30 September 2020
5.2.2 Low	<p>The school staff list detailing staff DBS reference numbers was compared to the current list of staff employed at the school as provided by VISION support.</p> <p>It was noted the school list does not included 2 casual members of staff</p>	<p>The School must ensure that where staff, permanent or casual, commence / terminate employment with the school, the school list is updated to reflect this.</p>	Implemented

	who have commenced employment at the School since September 2019.		
5.2.3 High	<p>A review of expenditure identified that payments are being made to the following outside providers:</p> <ul style="list-style-type: none"> <li>• Sporting Marvels</li> <li>• Playsports</li> </ul> <p>Whilst Playsports is on the Council's pre-approved IR35 list of approved Suppliers, no IR35 assessment has been undertaken in respect of Sporting Marvels.</p>	<p>Before a school engages with an external entity for the provision of services, the HMRC employment status check should be undertaken using the HMRC IR35 online tool.</p> <p>Further guidance on the completion of the online tool can be sought from the Council's Payroll &amp; Payments Service Manager.</p>	Implemented
5.2.4 Medium	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits/adventurous activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'.</p> <p>From a sample of 3 trips examined, formal authorisation from the Headteacher and / or Outdoor Education Advisor had not been recorded on EVOLVE in accordance with the recommended timescales in respect of the Llangrannog 2019 visit:</p> <ul style="list-style-type: none"> <li>• Llangrannog 22.06.19 - the trip was not entered onto EVOLVE until 17th June and was not authorised by the Outdoor Education Advisor until 18th June.</li> </ul> <p>Discussions at the school identified that the Headteacher, who authorises all school trips, updates EVOLVE with details of all trips rather than the trip organisers.</p>	<p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales and authorised at the school correctly in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate.</p> <p>Consideration should be given by the school to delegating the responsibility for updating EVOLVE with details of school trips to the individual trip organisers. If this is a feasible option, contact should be made with the Outdoor Education Advisor to arrange appropriate training on the EVOLVE system.</p>	Implemented

<p>5.3.1 Medium</p>	<p>In accordance with the School Private Fund Regulations, all income / expenditure entries should be recorded in a fund ledger and allow for prompt reconciliation within each financial period.</p> <p>A review of the ledger in place at the school revealed that it had not been updated since January 2020, hence no income / expenditure transactions had been recorded in respect of the sample period examined (February 2020).</p> <p>Discussions with the School Clerk identified that the School Private Fund Ledger is updated on receipt of the Bank Statements, although a record of all income and expenditure transactions is also being made in a separate book.</p>	<p>All income and expenditure should be promptly recorded on the private fund ledger (there is no need to complete the extra book).</p> <p>The completion of an up to date ledger will enable an appropriate reconciliation to take place upon receipt of the bank statements.</p> <p>The school may wish to consider using the electronic version of the ledger which is emailed to all schools annually by Education Finance and has provision for all required information to be recorded.</p>	<p>Implemented</p>
<p>5.3.2 Medium</p>	<p>Whilst there is a Record of Daily Income in place at the school, this is updated retrospectively once a deposit is made with the bank. All income is recorded directly onto individual class income sheets which are created for each activity.</p> <p>It was also noted that £48.00 in respect of school ties was receipted at the time of Audit.</p>	<p>In addition to the individual trip / activity records, the central Record of Daily Income should be updated daily by the Treasurer detailing the combined daily totals for each activity. This form should be completed as and when the Treasurer receives any income, including the date and source of the income is received.</p> <p>When income is subsequently deposited with the bank, the amounts should be totalled and ruled off.</p>	<p>Implemented</p>
<p>5.3.4 Medium</p>	<p>There is currently £1000 held in the School Private Fund account in respect of a Creative Schools Grant payment.</p> <p>Discussions at the school identified that the School Private Fund will be</p>	<p>This activity falls outside the scope of the School Private Fund and this would be more appropriately administered from the school budget account.</p>	<p>Implemented</p>

	used to process transactions in respect of Creative Schools and associated income and expenditure.	Arrangements should be made to transfer the £1000 grant funding from the School Private Fund to the School Budget Account as soon as possible and all transactions in respect of Creative Schools be processed via the school budget account.	
5.3.6 Low	There are only 2 cheque signatories for the School Private Fund, both of whom are required to sign cheques.	An additional cheque signatory should be added to the School Private Fund Account to ensure that cheques can be authorised and issued promptly.	Implemented
5.4.1 Medium	Whilst copies of the Authorised Banking Returns are retained at the School, no independent review of the Dinner Money records is currently undertaken.	A person independent of the process of collecting and recording dinner money received (i.e. Headteacher or a senior member of staff) should regularly review the central Dinner Money record (and subsidiary records) and cross-reference to the deposits made at the bank to ensure that these are complete and accurate and that all Dinner Money received has been deposited promptly.  At the end of each week, the Authorised Banking Return should be signed to certify that the record is a true reflection of collections and deposits that have occurred.	Implemented
5.5.1 Medium	There is no up to date Inventory available at the school.  Furthermore, the school currently hold a small stock of school ties for purchase by parents if required. This review identified that no record of	A full inventory review should be undertaken and all new equipment recorded as soon as possible. Thereafter an annual review should be carried out to ensure that the record is	Implemented

	the tie stock balance in hand is maintained.	<p>accurate and up-to-date.</p> <p>An up to date record of tie stock should be maintained and care should be taken to ensure that all receipts and issues are updated as and when they occur.</p> <p>A periodic comparison between the stock record and the stock in hand should also be undertaken to ensure that the records match.</p>	
<b>AUDIT NAME: ATTENDANCE : REFERRALS &amp; INTERVENTION</b>			
<b>DATE FINAL REPORT WAS ISSUED: 10/06/2020</b>			
<p><b>INTRODUCTION</b></p> <p>The Education (Pupil Registration) (Wales) Regulations 2010, identify the duty schools have to ensure that clear and efficient registration practices are in place and that they are accessible to the Local Authority for monitoring purposes.</p> <p>The Attendance and Wellbeing Service provides support to schools, pupils and their families to ensure regular attendance and aims to address any difficulties relating to absenteeism. The Service provides a link between home and school to ensure that pupils benefit from educational opportunities available to them. The Service also acts on behalf of the Council in its statutory enforcement capacity.</p> <p>A school register is a legal document that may be required to be presented as court evidence in Local Authority prosecutions for non-attendance. It is an offence for schools to fail to maintain accurate registers, therefore it is essential that legal requirements in relation to recording attendance are met. Schools are responsible for monitoring the weekly attendance rates for each pupil and use their own intervention methods to tackle attendance issues. A referral to the Attendance and Wellbeing Service is required from the school when an individual pupil's attendance falls to 86% or below over a six week period and there is no exceptional reason for this.</p> <p>The Attendance and Wellbeing Service have produced a toolkit (RCT School Attendance) as a resource that includes guidance and procedures to support schools in relation to attendance.</p> <p>Education Other Than At School (EOTAS) is the provision of education and training for young people of compulsory school age who have, for a variety of reasons, ceased or partially ceased to attend school. This provision is normally delivered outside of the formal school environment, although attendance should be monitored and reported.</p>			
<p><b>SCOPE &amp; OBJECTIVES</b></p> <p>In accordance with the Internal Audit Plan for financial year 2019/20, agreed by Audit Committee, a review of the management arrangements in place for</p>			



Attendance, Referrals and Intervention at Secondary Schools was undertaken.

The primary purpose of the review is to provide management with an opinion on the adequacy and effectiveness of the control environment in respect of Attendance, Referrals and Intervention at Secondary Schools.

The specific control objectives were:

- To ensure that there is consistency in the recording and classification of attendance in accordance with the Regulations.
- To examine intervention methods employed by Secondary Schools to address attendance levels.
- To ensure that the referral process to the Attendance and Wellbeing Service is consistently applied.
- To ensure the recording and monitoring of attendance for pupils Educated Other Than At School (EOTAS) is appropriate.

The sample of Secondary Schools were:-

- o Aberdare Community School
- o Tonyrefail Community School
- o Ferndale Community School
- o Ysgol Garth Olwg
- o Hawthorn High School
- o Porth Community School

#### **AUDIT OPINION**

***The overall control environment in respect of Attendance, Referrals and Intervention at Secondary Schools is considered to be effective with opportunity for improvement.***

At each of the schools sampled the overall attendance was found to range between 90.8% and 94.3% based on the completed attendance registers examined. Each school is required to maintain accurate and up to date registers and ensure that the correct attendance codes are used and are in line with those provided by Welsh Government. This review has identified that in overall terms, each of the schools visited were consistent in their interpretation of when particular codes should be applied with only minor differences across the sample as a whole in relation to the codes used. However it was identified that schools are able to (and have on occasion) amended attendance codes, sometimes months after the dates the original registers were taken. This is of concern as the amendments may not be accurate, and statistical data and reports that would have been reported since the original code(s) were recorded cannot be verified as data may have been amended, and the original reports are no longer correct.

Recording a pupil's attendance at school accurately is important for the pupil, the school and the Council. This review has identified that improvements are required in relation to the procedures at schools for recording both AM/PM and class registrations, in order to evidence that pupils are actually attending school and their lessons. It was identified at one of the six sampled schools that AM registration is not taken for over an hour after school has commenced. Additionally, not all class/lesson registers are completed at each of the six schools visited for class/ lessons throughout the day. This raises both attendance and safeguarding issues, as schools are unable to identify where pupils physically are at all times during the school day.

For those schools with pupils who are Educated Other Than At School (EOTAS) while pupil registers are completed and returned to the central administration team, the frequency of receipt should be determined as these also need to be returned to the registered school for coding. This process could not be confirmed

for pupils at Pupil Referral Units and procedures are required to be put into place, and schools reminded that the correct attendance codes should be updated for each pupil once the registers are received.

It was pleasing to note that each of the schools visited during the review had their own established intervention methods to address attendance concerns on an individual pupil basis. However the average attendance percentage at the point of referral (for the previous 6 weeks) for those sampled was 66.2%, compared to the 86% recommended referral threshold. In addition, there were examples at all schools of pupils whose attendance was less than 86% and had yet to be referred.

While the Attendance and Wellbeing Service advise that referrals are not always necessary where there are 'genuine and exceptional' circumstances, there is currently no formal process to regularly identify and challenge schools on the timeliness of their decision to refer pupils, as evidenced by the average attendance of 66.2% at the point of referral.

The recommendations within this report focus mainly on the re-iteration of guidance to all schools in order to promote consistency and ensure that all staff are aware of the need for accurate, detailed information in respect of pupil attendance.

Implementation of the recommendations included in the report will further enhance the internal controls already in place.

#### SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1  High	<p>The Education (Pupil Registration) (Wales) 2010 Regulations and the RCT School Attendance 2018 Toolkit contain a requirement for schools to take both morning and afternoon registrations, whilst advising schools to close the register to pupils 30 minutes after the register was taken. It also advises schools against leaving the register open for the whole session.</p> <p>The schools visited did not complete registers in accordance with the Regulations. The issues found were: -</p> <ul style="list-style-type: none"> <li>Ysgol Garth Olwg – AM registration is taken at 9.35am, despite pupils commencing lessons at 8.30am.</li> </ul> <p>Discussions at the school confirmed that pupils may not arrive at school until AM registration, but still receive a present mark despite missing their first lesson.</p>	<p>In order to comply with the Education (Pupil Registration) (Wales) 2010 Regulations, the registration period at all schools should be at the start of the morning session. Management should ensure Headteachers at all schools adhere to this requirement.</p> <p>Additionally, Management should ensure that the time of PM registrations is appropriate at each school, and that registers are only open for the permissible length of time.</p> <p>The practice of pre-marking attendance registers is not permissible, and Headteachers should be reminded of this.</p>	30 September 2020

	<p>Additionally, pupils may not have arrived at School, but this would not be identified until over an hour after school has commenced.</p> <ul style="list-style-type: none"> <li>PM registrations – It was identified that the times of PM registrations vary at each of the 6 schools visited, with some schools taking the PM registration prior to lunch breaks.</li> </ul> <p>Additionally, registers are remaining open for the whole lesson, whereas the AM register is opened for only 30 minutes maximum.</p> <p>Where schools taking PM registrations before lunch, there is increased potential that pupils may not return to school after lunch, but would receive their PM present mark.</p> <p>Additionally, a Late mark (Code L) would not be used for PM registrations as staff are unable to determine if pupils will return from lunch on time.</p> <ul style="list-style-type: none"> <li>Ferndale &amp; Porth Community Schools – Registers have been pre-marked at the start of each week (Ferndale) and for the rest of term (Porth) for dual registered pupils.</li> </ul>	<p>Management should ensure periodic checks are in place to ensure schools are complying with these requirements.</p>	
5.1.2 Medium	<p>At the six sampled schools it was identified that during the period 1st September to 29th November 2019, there were 19,969 unauthorised absences, with 6,325 of these at just one school - Tonyrefail Community School.</p>	<p>Schools should be reminded to ensure that reasons for absences are obtained, with appropriate processes put in place to ensure that referrals are made by the school to the Attendance &amp; Wellbeing Service where attendance falls below the recommended % threshold.</p> <p>Management should ensure periodic checks are in place to ensure schools are complying</p>	30 September 2020

		with these requirements.	
5.1.3 Medium	<p>Each school is required to maintain accurate and up to date registers, ensuring that the correct codes are used in line with those prescribed by Welsh Government.</p> <p>Examination of Attendance Codes B, D and W at each of the 6 sampled Schools identified that codes had been incorrectly used in some instances.</p> <p>School Attendance Officers at each school amended Attendance Codes during the audit visit, despite some of these anomalies arising since September 2019. However, statistical data and reports would have been created and reported both at the school and within the Local Authority using the original codings.</p> <p>Discussions identified that there is currently no agreed protocol or timescale in place to determine on what basis it is acceptable for Attendance Codes on registers to be retrospectively amended.</p>	<p>Management should determine where it is appropriate/acceptable to retrospectively amend a pupil's attendance and the circumstances under which this is acceptable.</p> <p>Furthermore, a timeframe to update/amend AM/PM registers should also be considered and put into place.</p>	30 September 2020
5.1.4 Medium	<p>At each of the schools visited, it was identified that class/lesson registers are not always taken to record a pupil's attendance throughout the school day.</p>	<p>Schools should be reminded that class registers should be maintained for all subjects taught to ensure there is sufficient evidence at the school to demonstrate that each pupil is attending the subjects as stated on their return.</p>	31 December 2020

<p>5.1.5</p> <p>Medium</p>	<p>Within the Education (Pupil Registration) (Wales) 2010 Regulations, it states: -</p> <p>'For educational and safeguarding reasons, schools should ensure that they have in place arrangements whereby the provider of the alternative activity provided "off-site" can notify the school of any absences by individual pupils so that the school can record the pupil absence using the relevant absence code'.</p> <p>Discussions at each school confirmed that schools do not liaise with other schools/Pupil Referral Units (PRU) in ensuring pupils are attending the Dual Registered School/PRU, and thus ensuring all registers are up to date.</p> <p>Additionally, it was identified that schools who have pupils who are 'Educated Other Than At School' (EOTAS) are being notified/provided with Registers by the EOTAS service. It is noted however that these are not being received weekly and schools are unable to update their attendance registers.</p>	<p>Schools/PRU should be reminded that registers for Dual Registered pupils need to be maintained, with regular cross referencing between each school/PRU involved.</p> <p>Management should determine how regular attendance registers for pupils who are 'Educated Other Than At School' (EOTAS) are to be provided to schools.</p> <p>Headteachers should also be reminded that attendance registers should be updated promptly upon receipt of these registers.</p>	<p>31 December 2020</p>
<p>5.2.1</p> <p>Medium</p>	<p>Feedback from the schools sampled identified that they are happy with the Attendance &amp; Wellbeing Service (AWS) provision. However, discussions revealed the following: -</p> <p><u>AWS Staff</u></p> <p>Schools confirmed that they have each been assigned an Attendance Engagement Officer (AEO). However, a referral made to the service is not always allocated to their delegated AEO. Schools raised issues in respect of continuity, consistency and working relationships in the absence of a regular AEO.</p>	<p>Management should determine if the current staffing processes in respect of the allocation of work and individual AEO's to schools are working appropriately, both for the Council and at the schools.</p> <p>Management should document processes offered to schools to ensure there is consistency in the service each school is offered and provided with (in respect of DART days).</p>	<p>31 January 2021</p>

	<p><u>DART Days</u></p> <p>The Attendance and Wellbeing Service works with schools to undertake local authority initiatives such as the Super Attender Challenge, Daily Absence Response Team (DART) visits etc.</p> <p>DART visits are targeted days for a specific school whereby absent pupils (whose attendance is unauthorised on that day) receive a home visit by a member of the AWS to confirm why the pupil is not in school and also raise awareness that attendance is being monitored.</p> <p>Schools confirmed they all receive DART days. However, schools were not aware of the level of service received, with each of the 6 schools sampled receiving different levels of service. One school stated they have only received one DART day this academic year, whereas others stated they had received the initial DART day and two additional follow up DART days.</p> <p>No documented procedure of the DART process could be provided during the review.</p>		
5.2.2  Medium	<p>The RCT School Attendance 2018 Toolkit states: -</p> <p>'Schools have the responsibility to monitor individual attendance rates weekly and use their own intervention methods to tackle individual pupil attendance issues where the pupil's attendance rate is 86% and above. A referral to the AWS can be made by the school when an individual's attendance falls below 86% over a six week period and there is no exceptional reason for this. However, the school must provide evidence of their graduated response to tackle this rising level of absence as part of the referral'.</p> <p>Ferndale Community School are of the understanding that referrals to the Education Welfare Service can only be made if a pupil has less than 86% attendance and have been issued with an FPN.</p>	<p>Management should clarify to Schools the referral process and the requirements within.</p> <p>Additionally, schools should be reminded of the process in relation to their graduated response to tackle non-attendance before this falls to the recommended threshold.</p>	Implemented

	<p>However, the Head of Attendance &amp; Wellbeing Service confirmed that this is not the case, with there not being a requirement for an FPN to have been issued prior to referral.</p> <p>Additionally, until just prior to the audit review, Tonyrefail Community School were not sending attendance monitoring letters to parents until they had 86% or less attendance. Discussions with the school's Attendance Officer confirmed that he was not aware that they could be sent before being at 86% or below.</p>		
5.2.3 Medium	<p>The RCT School Attendance 2018 Toolkit states: -</p> <p>'Schools have the responsibility to monitor individual attendance rates weekly and use their own intervention methods to tackle individual pupil attendance issues where the pupil's attendance rate is 86% and above. A referral to the AWS can be made by the school when an individual's attendance falls below 86% over a six week period and there is no exceptional reason for this. However, the school must provide evidence of their graduated response to tackle this rising level of absence as part of the referral'.</p> <p>Each of the schools visited during the review had their own established intervention methods to address attendance concerns on an individual pupil basis. The average attendance percentage (for the previous 6 week period) up to the point of referral for pupils at three of the sampled schools was 66.2%, compared to the 86% advised referral threshold, with examples at all schools of pupils below 86% attendance who were yet to have been referred.</p> <p>Whilst the Attendance and Wellbeing Service advise that referrals are not always necessary where there are 'genuine and exceptional' circumstances, there is currently a lack of a formal process to regularly identify and challenge schools on the timeliness of their decision to refer</p>	<p>A formal process to regularly identify and challenge schools on the timeliness of their decision to refer (or not) should be considered.</p>	<p>Implemented</p>

	(or not), as evidenced by the average attendance of 66.2% at the point of referral.		
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**AUDIT NAME: YSGOL HEN FELIN**

**DATE FINAL REPORT WAS ISSUED: 22/01/2020**

### **INTRODUCTION**

Ysgol Hen Felin is a special school providing education for pupils aged 3 - 19 with profound, moderate, severe and complex medical needs. It is one of 4 special schools within Rhondda Cynon Taf. There are currently 180 pupils on roll and pupils are taught in 17 classes.

The proportion of pupils eligible for a free school meal currently stands at 50%, which is slightly higher than the national average 45%.

The total budget for the school for the 2019/20 financial year is in excess of £2.7m. Ysgol Hen Felin was last subject to an Internal Audit review in April 2017.

The current Headteacher commenced in his role in January 2018. Since this time there have been a number of staffing changes within the Finance Office at the school.

The Headteacher has confirmed that this report will be presented to the Full Governing Body at their February 2020 meeting.

### **SCOPE & OBJECTIVES**

All financial systems operating at the school were reviewed with particular emphasis given to major sources of income and expenditure, and activities relating to the operation of the School Private Fund.

Audit testing was carried out on a sample of transactions made during 2018/19 and 2019/20, to ensure that fundamental controls are present and operating satisfactorily.

The objectives of the review were:

- To review the Governance arrangements in place at the school.
- To ensure compliance with Section 175 of the Education Act 2002, this requires Governing Bodies to have arrangements for exercising their functions with a view to Safeguarding.
- To ensure that the School Private Fund is appropriately administered in accordance with the requirements of the 2018 the School Private Fund Regulations.
- To ensure that the Purchase Card is being used in accordance with the guidance and procedures issued by the Procurement Service.
- To ensure that all school meals income is identified, received and collected in accordance with Council Policy, arrears regularly reported and followed up and free meals only provided where entitlement has been confirmed by the Council.
- To ensure that all orders raised by the school are appropriate and reflected in the budget, are correctly authorised and comply with Financial Regulations.
- To ensure that all Formula Funding allocations are based on up to date and correct numbers of registered pupils, and an audit trail is maintained to ensure accountability and transparency of the numbers submitted.
- To ensure that the opportunities for unauthorised use of the school's I.T. equipment are restricted, that hardware and software is adequately protected and that the school and Governing Body are appropriately registered under the Data Protection Act 2018.

**AUDIT OPINION**Safeguarding & Educational Visits

***The control environment in respect of Safeguarding and Educational Visits is considered to be insufficient and requires improvement.***

The school has a Child Safeguarding Policy in place, and whilst this has been reviewed it has not been presented to and ratified by the full Governing Body. Also there was no documentary evidence at the school to confirm that all members of staff have received a copy of the Policy, and have read and understood it.

There are currently 5 members of staff at the school who have received Level 3 training, although for 3 of these staff training has now expired and should be renewed as soon as possible. The school's Safeguarding Officer confirmed that Level 1 Safeguarding training was provided to school staff in April and May 2019. However, at the time of the audit 24 members of staff were identified who have yet to receive the training.

Testing identified that all staff directly employed by the school received the appropriate clearances before commencing duties in their posts.

The school make use of the EVOLVE system to record details of off-site visits and staff are suitably qualified to make use of the system in accordance with the document 'Planning and Approval Procedures for Educational Visits'. However, examination of a sample of trips on EVOLVE showed that these are not always authorised in accordance with the designated timescales or pupil attendance lists updated.

Governance

***The control environment in respect of Governance is considered to be effective with opportunity for improvement.***

The school has recently purchased two minibuses, one via the School Private Fund and one via the School Budget. However, the correct processes as to how these purchases have been made have not been followed.

All Statutory Policies are in place at the school. The roles and responsibilities of the Governing Body and its Sub-Committees have been set out in writing.

There are currently 5 Governing Body vacancies and all Sub-Committees have the requisite number of members.

A Register of Business Interests is in place at the school for all current Governors.

Copies of full Governing Body minutes are held at the school, however it was noted that the minutes for the last Governing Body meeting had not been signed by the Chair of Governors.

School Private Fund

***The control environment in respect of School Private Fund is considered to be insufficient and requires improvement.***

There was no evidence at the school to suggest that a reconciliation of the account has taken place during the current academic year. The Ledger was incomplete at the time of audit and was being completed by the Chairperson.

Income is collected from pupils/parents for various fundraising activities and trips. However, this income is currently not banked but retained as a cash float in the safe/office for use by staff to pay for trips/items as and when required. Hence there is an inadequate audit trail, and non-compliance with the School Private Fund Regulations in respect of income collection, recording and banking.

The Fund has also been used to help subsidise buses and individual pupils on trips/functions. Occasions were also noted whereby other items of expenditure which are deemed inappropriate were also purchased via the Fund. e.g. staff first aid course.

It is recommended that all members of the Management Committee familiarise themselves with the School Private Regulations, and in particular to the responsibilities assigned to their Management Committee designations, to ensure that any future potential non-compliance is identified at an early stage.

Purchasing

***The control environment in respect of Purchasing is considered to be insufficient and requires improvement.***

The school currently raise orders either over the telephone or online. In the main, these orders are not raised in the Official Order Book until after receipt of the goods/invoice, and the copy orders are not authorised by the Headteacher.

Delivery notes/invoices show no evidence of reconciliation to the order to confirm the items/amounts are correct.

The school has 2 Fuel Cards and an account at a local DIY store. The account in the DIY store is not held in the school's name or address. The use of store cards and accounts allows purchases to be made outside of the school's normal processes, with payments made for items which have not been subject to the same authorisation and scrutiny.

Consideration should be given to reviewing the current practices in place with a view to increasing the use of the Purchase Card. This would reduce the amount of administration required in making purchases using the Official Order book (or via a petty cash account), allowing more opportunity for staff to undertake other administrative duties.

Purchase Card

***The control environment in respect of Purchase Card is considered to be insufficient and requires improvement.***

There is one Purchase Card at the school. There is no formal written authorisation for each purchase available at the School and the Transaction Log is not accurately updated to record all transactions as they occur.

All purchases reviewed were supported by appropriate receipts/invoices during the sample period examined. There is no evidence at the school to confirm a reconciliation is undertaken of all purchases made.

Withdrawals for Petty Cash are made using the Purchase Card. However, the limit for Petty Cash transactions has not been set and agreed by the Governing Body. Additionally, a review of the items purchased using Petty Cash identified that all expenditure could have been made directly using the Purchase Card.

School Meals

***The control environment in respect of School Meals is considered to be effective with opportunity for improvement.***

The level of arrears at the school amounted to £987.35 (for 11 pupils) at the time of the audit. The Finance Assistant has recently undertaken training in respect of School Meals, however there is still some uncertainty as to the Council's School Meals Arrears Recovery Protocols e.g. the frequency arrears letters are to be sent and when Catering Finance require notification of arrears for recovery and escalation.

Data Security & Inventory

***The control environment in respect of Data Security & Inventory is considered to be effective with opportunity for improvement.***

The Headteacher confirmed the school has been registered with the Data Commissioner under the Data Protection Act. There is an electronic inventory in place that includes all the electronic equipment present, however serial numbers are not recorded. As the school are shortly due to undertake an annual review, these details should be added.

It is acknowledged that at the time of the Audit, the school had experienced a number of changes within the Finance Office, which had been ongoing for a number of months. This lack of continuity and period of change are likely to have played a contributory part to some of the findings contained within this report. Implementing the recommendations contained in the report will enhance the current levels of control at the School.

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.1 Medium	<p>Section 3.16 of Safeguarding Children in Education: The role of local authorities and governing bodies under the Education Act 2002 (WAG circular 005/2008) states that:</p> <p>'Governing Bodies should ensure that the School has an effective Child Safeguarding Policy...and is reviewed at least annually'.</p> <p>Although a Child Safeguarding Policy has been developed at the school and presented to the school's Policy Committee, it was not evident that it had been presented to the full Governing Body for endorsement.</p>	The Headteacher should ensure that the Child Safeguarding Policy is subject to an annual review and endorsement from the Governing Body (via a Governing Body minute).	Implemented
5.1.2 High	<p>Point 3.1 of the Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy states:</p> <p>'The Designated Senior Person (DSP) for Child Protection will...Ensure that all staff have signed to say that they have received, read and understood the Child Safeguarding Policy'.</p> <p>The school's Child Safeguarding Policy was last reviewed in September 2018 (although not ratified by the Governing Body - See 5.1.1).</p> <p>Whilst the latest Cwm Taf Safeguarding Children Board (CTSCB) Model Safeguarding Policy has been used, the requirements in respect of all designated Safeguarding staff and other staff having to sign to confirm that they have received, read and understood the Child Safeguarding Policy have not been put in place.</p>	<p>The Designated Senior Person should ensure that each member of staff signs to demonstrate that they have received, read and understood the Safeguarding Policy and evidence of this retained at the school.</p> <p>Good practice would be to introduce a proforma with all staff names included and attached to the endorsed Safeguarding Policy and held within the Safeguarding file.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.3 High	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>An update on Level 1 Safeguarding training was provided to all staff in April and May 2019. However a cross-reference between the attendance sheet for the training and the school staff list identified 24 members of staff who were not present for the training.</p> <p>NOTE: - It is acknowledged that Level 1 Safeguarding Training was subsequently arranged for 15th July 2019.</p>	<p>As a minimum, Level 1 Safeguarding training should be arranged for the 24 members of staff who were not present, as soon as possible.</p> <p>The training record that has been introduced at the school should be used to identify any gaps / refresher training required going forward.</p>	Implemented
5.1.4 Medium	<p>Section 2.21 of Keeping Learners Safe: The role of local authorities, governing bodies and proprietors of independent schools under the Education Act 2002 (WAG circular 158/2015) states that:</p> <p>'Governing Bodies should ensure that all staff and volunteers who work with children undertake appropriate training to equip them with the knowledge and skills that are necessary to carry out their responsibilities for child protection effectively, which is kept up to date by refresher training'.</p> <p>The current requirements for Level 3 Safeguarding training are that a</p>	<p>The Headteacher should ensure arrangements are made for the appropriate Safeguarding and Child Protection training (Level 3) to be undertaken.</p> <p>The school should develop a central training record to demonstrate the date and level of safeguarding training alongside individual staff names.</p> <p>This could be incorporated into the Child</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>minimum of 3 members of staff at the school are required to be trained to Level 3, and this needs to be reviewed every 2 years.</p> <p>There are currently 5 members of staff at the school who have received Level 3 training, although for 3 of these staff training has now expired and should be renewed as soon as possible : -</p> <ul style="list-style-type: none"> <li>• Deputy Headteacher – Last training undertaken on 26th February 2016 – Not within last 2 years.</li> <li>• Assistant Headteacher – Certificate dated 20/1/2017 – Not within last 2 years.</li> <li>• Teacher – Certificate dated 19/7/2016 – Not within last 2 years.</li> </ul>	<p>Safeguarding Policy to allow the assessment of training requirements to coincide with the Policy's annual review.</p>	
5.1.5 High	<p>The 'Planning and Approval Procedures for Educational Visits' states that residential visits / adventure activities must be 'planned and approved using the EVOLVE system at least 28 days before visit'.</p> <p>Examination of a sample of four visits recorded on EVOLVE identified the following: -</p> <p>Rhondda Bowl 3/5/2019 - This was created on Evolve on the 30/4/2019 but was not authorised until 7/5/2019.</p> <p>Odeon Cinema 3/7/2019 &amp; Rhondda Sport Centre (various dates) - No registers are attached to Evolve.</p> <p>Residential trip to Brecon 11/7/2019 – This was uploaded to Evolve on 27th June 2019 and authorised by the Outdoor Education Advisor on the 10th July 2019.</p>	<p>Care should be taken to ensure that all trips / activities are entered onto EVOLVE within the correct timescales and are correctly classified, in order for the Outdoor Education Advisor to give the necessary assurance that the provider and trip arrangements are appropriate.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.6 High	<p>The following transaction was identified via the Private Fund: -</p> <p>Cheque no 100029 - £300 for a first aid course for teachers.</p> <p>Discussions with the Headteacher identified that this was paid from the Private Fund as the Council's Creditors section had refused to pay the invoice via the School Budget as no HMRC IR35 check had taken place.</p>	<p>Before a school engages with an external entity for the provision of services, they must review the employment status using the HMRC online tool.</p> <p>This should be undertaken for this individual with evidence of the check retained at the school.</p> <p>Payments of this nature fall outside the scope of the School Private Fund Regulations and should be processed through the school's budget account in future. The Private Fund should be reimbursed from the School Budget account immediately.</p>	Implemented
5.2.2 Medium	<p>Examination of the Finance Policy adopted by the school identified that delegated financial limits have not been established for the following staff: -</p> <ul style="list-style-type: none"> <li>• Headteacher</li> <li>• Deputy Headteacher</li> <li>• Assistant Headteachers</li> <li>• Office Manager</li> </ul>	<p>The School's Finance Policy should be enhanced to confirm the financial limits of delegated authority for nominated staff at the school.</p> <p>It should then be presented to the Governing Body for endorsement and appropriately minuted.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.2.3 Low	<p>The Government of Maintained Schools (Wales) 2005 Regulation, Part 7 states that:</p> <p>'The minutes of the proceedings must be entered into a book kept for the purpose by the clerk and may be entered on loose-leaf pages consecutively numbered; but in that case the person signing the minutes must initial each page.</p> <p>Signed copies of all minutes are required to be retained at the School. Where minutes have been drafted by Governor Support a signed copy should also be retained by Governor Support'.</p> <p>A review of the Governing Body minutes revealed that whilst the majority of minutes had been signed by the Chair of Governors it was noted that the Minutes for the Governing Body meeting held on 19th February 2019 have not been signed.</p>	All Governing Body and Sub-Committee minutes should be signed by the Chair of Governors and appropriately retained.	Implemented
5.2.4 Low	<p>The membership of governing bodies is set out in chapter 3 of The Government of Maintained Schools (Wales) Regulations 2005, which specifies that the composition of the Governing Body should include 2 LEA and 4 Parent Governors.</p> <p>Examination of the Governing Body structure revealed that there are currently 2 LEA and 3 Parent Governor vacancies.</p>	The School should continue to advertise in order to fill the vacancies as soon as possible.	Implemented
5.3.1 High	<p>Appendix 2, point 1.1(b) of the School Private Fund Regulations 2018 states: -</p> <p>'Care should be taken to ensure.....the ledger is updated as income</p>	The Headteacher should ensure the Private Fund ledger is brought up to date immediately by the Fund Treasurer, and thereafter all income and expenditure should be promptly	Implemented



SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>and expenditure occurs, and not on a monthly/annual basis or from bank statements'.</p> <p>At the time of the audit, the Private Fund Ledger had not been updated by the Headteacher since the 21st June 2019.</p> <p>Additionally the following income/expenditure entries were omitted from the Ledger: -</p> <ul style="list-style-type: none"> <li>8/2/2019 - cheque no 100029 - £300.</li> <li>Various income received / banked between 14/2/2019 and 8/3/2019 - Total of £4398.40.</li> </ul>	<p>recorded in accordance with the School Private Fund Regulations.</p> <p>Appendix 2 of the School Private Fund Regulations provides notes of guidance for the completion of ledgers and a suggested format is included at Appendix 4 of these Regulations.</p> <p>The Fund Treasurer should be made aware of their responsibilities going forward.</p>	
5.3.2 Medium	<p>Although it is acceptable to have the Fund Ledger in electronic format, there are certain requirements that must be met. The following issue was identified:</p> <ul style="list-style-type: none"> <li>The Ledger is not printed off to undertake bank reconciliation. Therefore, there is no evidence (i.e. signatures) on the Ledger to confirm it has taken place.</li> </ul>	<p>A copy of the Fund Ledger should be printed off and retained on file for each monthly reconciliation.</p> <p>Appendix 2 of the School Private Fund Regulations provides notes of guidance for the completion of ledgers and a suggested format is included at Appendix 4 of these Regulations.</p>	Implemented
5.3.3 High	<p>The School Private Fund Regulations Point 4.3 states: -</p> <p>'All monies collected must be banked intact, in order that income can be traced and reconciled to bankings. No deductions should be made from such money'.</p>	<p>All income collected should be banked intact, in order that income can be fully traced and reconciled to bankings.</p> <p>All payments should then be made via cheque</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>The following examples were identified whereby income collected had not been banked intact:-</p> <p><u>Cinema and Frankie &amp; Bennys - 11/7/2019</u></p> <p>£520 was recorded as collected on the trip records. This however was not banked, and used by the teachers on the day to pay for entry to both establishments. (It is noted that receipts were present for £454 and £66 was returned to the office).</p> <p><u>Fundraising for Wellbeing Centre</u></p> <p>Fundraising has taken place specifically for the Wellbeing Centre (within the School), with £905.20 being raised and recorded on a Wellbeing income/expenditure record form. However, the following was noted: -</p> <ul style="list-style-type: none"> <li>• The record form has no column to allow the date the income/expenditure was received / paid to be recorded.</li> <li>• Two amounts of £200 and £45 have been handed over to a teacher, but no receipts have been provided to support the expenditure incurred.</li> <li>• £21.04 has been handed back to the office but no date / signatures on the sheet from staff handing over / receiving the money. Also, the running balance has been incorrectly calculated by £10.00 - £671.24 recorded, but should of been £681.24.</li> </ul>	<p>or Purchase Card (with the amount paid transferred from the Fund into the School Budget).</p> <p>If it is necessary to make small cash payments, a cheque should be drawn for cash to finance a cash float. A separate record of all transactions should be maintained with a cash in hand balance and any receipts retained.</p>	

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<ul style="list-style-type: none"> <li>The cash has been held in the safe and not deposited in the bank since first raised.</li> </ul> <p><u>St. Madocs Trip - 12/7/2019</u></p> <p>Income totalling £565 has been collected from 8/5/2019, but at the time of audit it was still in the safe to be used on the trip</p> <p>For the sample period examined, teachers trip records agreed with the office records with the exception of an additional £80 recorded as handed to office 9/7/2019. On discussions it was found that this income was in a money bag in the office and had not been recorded on the trip record form or held securely in the safe.</p>		
5.3.4 High	<p>Point 1.3 of the School Private Fund Regulations states:</p> <p>'The fund should benefit the pupils or the school. The Private Fund must not be used to pay for goods or services that ordinarily would be funded from the school's delegated budget'.</p> <p>The following examples were identified in the sample period March – July 2019 which are inappropriate from the School Private Fund: -</p> <ul style="list-style-type: none"> <li>Cheque no 100029 - £300 for a first aid course for teachers (see 5.1.6).</li> <li>Cheque no 100032 - £675 School Prom - Payment to Ty</li> </ul>	<p>All expenditure should be in line with the School Private Fund Regulations.</p> <p>All trips should be costed to ensure all costs are met by the trip income.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Coch in respect of the School Prom (27 pupils attended at £25 each) but there was no income recorded in the Ledger. It was identified that income totalling £625 was banked on 3/7/2019, a £50 shortfall. This shortfall was in respect of 2 pupils who attended the Prom but did not pay, with the Fund being used to subsidise their payments. The Headteacher confirmed this is a regular practice.</p> <ul style="list-style-type: none"> <li>• Bus trips are subsidised throughout the year as a way of charging pupils less for trips.</li> <li>• School budget income i.e. supply costs insurance income, is received into the Fund for subsequent transfer into the School Budget account. However, this has not occurred for the following date and amounts: - <ul style="list-style-type: none"> <li>o 7/5/2019 - £2330 &amp; 21/6/2019 - £3310</li> </ul> </li> </ul>	Income due to the School Budget should be transferred immediately.	
5.3.5 Medium	<p>The School Private Fund Regulations point 4.1 states: -</p> <p>'All income collected must be deposited with the Fund Treasurer promptly (i.e. on the day of collection) and recorded on a Record of Daily Income suitable for this purpose'. Examination of the Record of Daily Income form identified that trip income is not recorded.</p>	When all income is handed over to the Treasurer, the Treasurer should ensure that the Record Of Daily Income form is fully completed.	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.3.6 High	<p>Appendix 2, point 5.1 of the School Private Fund Regulations 2018 states: -</p> <p>'As soon as bank statements are received you must undertake a reconciliation of income and expenditure'.</p> <p>At the time of audit there had been no bank reconciliation exercise undertaken for the academic year 2018/19.</p>	<p>Bank statements should be reconciled to the fund ledger by an independent person on a regular basis, and at least monthly.</p> <p>The statements should be signed and dated by the person carrying out the reconciliation as evidence of when and by whom this was undertaken.</p> <p>The Headteacher should ensure that a reconciliation exercise is now undertaken to ensure that all income and expenditure transactions for the current academic year are accurate.</p>	Implemented
5.3.7 Medium	<p>Section 9.1 of the School Private Fund Regulations states that:</p> <p>'Any member of staff running a School trip is required to draw up and provide the Treasurer with a statement of account within one month of the conclusion of the trip. This must show details of all the receipts and payments relating to the trip'.</p> <p>No Statements of Accounts have been prepared for any school trips that have taken place.</p>	<p>Upon completion of a trip, a Statement of Account and all supporting records should be passed to the Fund Treasurer to be retained as per the School Private Fund Regulations.</p> <p>An example of the format required is included at Appendix 9 in the School Private Fund Regulations.</p>	Implemented
5.3.8 Medium	<p>School Private Fund income is collected by LOOMIS who also collect Dinner Money Income and Budget Account Income.</p>	<p>In order to preserve the information detailed on the LOOMIS receipts, the LOOMIS receipts should be attached to either the</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>Income is collected from Reception. However LOOMIS only provide 1 receipt in respect of all collections received, (with the various bag numbers recorded).</p> <p>The receipts are currently not retained in the Bank Paying In Book nor are the LOOMIS bag numbers recorded on each paying in slip.</p>	<p>School Private Fund or School Meals Bank Paying In Books.</p> <p>Additionally, the LOOMIS bag reference numbers for each bag collected should be recorded on the appropriate banking paying in slip.</p>	
5.4.1 High	<p>The following issues were noted in respect of the school's purchasing arrangements: -</p> <ul style="list-style-type: none"> <li>• Orders have been raised after receipt of the invoice, even though a prior request would have been made.</li> <li>• Orders are not always signed as authorised by the Headteacher</li> <li>• Copy orders show no evidence of being checked to delivery notes/invoices.</li> <li>• Copy orders are not attached to the relevant invoice/delivery notes.</li> <li>• All of the orders examined in the current order book could have been made using the Purchase Card.</li> </ul>	<p>Where possible the school should utilise the Purchase Card for the purchase of goods and payment of services.</p> <p>On occasions where it is not possible to use the Purchase Card, an official order should be raised on SIMS for all committed expenditure. This should be done as soon as the commitment to expenditure is known. This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and there is a hard copy of the items ordered at the school which can be used to check against the subsequent delivery of goods and relevant invoice.</p> <p>Once the goods / services are received, the invoice / delivery note should be checked against the original order to ensure that the goods received agree to those originally</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		ordered. The order and invoice/delivery notes should demonstrate evidence of this check (e.g. items ticked) and the invoice/delivery notes should be signed and dated by an appropriate budget holder who can commit the school to expenditure.	
5.5.1 High	<p>Discussions with the Headteacher established that staff can request items to be ordered via the Office Manager using a signed Order Requisition form, with appropriate authorisation obtained from the Headteacher before purchasing the items.</p> <p>However, a review of the processes at the school revealed that this is not always the case, with Order Requisition forms not always completed and where they are completed, not signed by the Headteacher in accordance with the intended system.</p>	<p>It should be ensured that Order Requisition forms are completed for all orders and signed by the Headteacher before purchases are made.</p> <p>These signed forms should be retained with the subsequent invoices/receipts as evidence of the authorisation.</p>	Implemented
5.5.2 Medium	<p>The Office Manager is responsible for maintaining the Transaction Log for the Purchase Card.</p> <p>On examination of this log it was evident that not all purchases are being updated to the log as and when they occur.</p>	<p>Details of all purchase card transactions should be recorded on the transaction log as and when they occur, and cross referenced to their respective invoice/receipt.</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.5.3 Low	Examination of the Purchase Card report and Transaction Log identified that it is not possible to determine what each transaction relates to as the descriptives provided are poor i.e. 'classroom resources' or receipt/invoice reference only. No further details of the transaction are provided e.g. items purchased/supplier.	The Purchase Card system and Transaction Log should provide a meaningful analysis of all expenditure, with clear details of the classification and type of activity recorded.  All Purchase Card payments should be clearly identified with the Purchase Card reference number, where the purchase was made and a brief summary of the items purchased.	Implemented
5.5.4 High	The School have 2 Fuel Cards for use by staff (mainly the Caretaker) at the local petrol station to purchase fuel for the School minibus, without the need to raise an order or use the Purchase Card. The school then receives a monthly invoice in respect of the purchases made.  It was also established that accounts are held with local businesses e.g. DIY stores, with the accounts held in the Caretaker's name and home address.  Additionally, it was identified that orders are not always delivered to the School but to home addresses e.g. Headteacher's parents.	The School should cease using Fuel and Store Cards.  All purchases should be made in the name and address of the School going forward.  The School should only make purchases using the chequebook or Purchase Card and an additional Purchase Card should be obtained to facilitate this requirement if deemed necessary.	Implemented
5.5.5 Low	Discussions with the Office Manager and Headteacher established that whilst the Office Manager updates the Purchase Card system with transactions authorised by the Headteacher, there is no evidence at the School to confirm that the Headteacher has checked the Purchase Card system to the Transaction Log and receipts/invoices i.e. transactions are not ticked and they are not signed and dated by the Headteacher.	The Headteacher should ensure that the Purchase Card system is agreed to the Transaction Log and receipts/invoices, with the Transaction Log signed and dated as confirmation of this reconciliation.	Implemented



<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.5.6 Medium	<p>Petty Cash is withdrawn using the Purchase Card.</p> <p>For the period January – July 2019, it was identified that all Petty Cash transactions examined could have been made using the Purchase Card.</p> <p>Additionally, no set limit for each transaction has been agreed within the Financial Procedures. It was identified that purchases are being made that would not be deemed as appropriate for a Petty Cash system due to their value, with a purchase of £85 being made during the sample period.</p>	<p>The Headteacher should consider if Petty Cash is actually needed at the School.</p> <p>If it is, then a set limit for each purchase card withdrawal and individual transactions should be set and included in the School's Financial Procedures document. This should also be reviewed and ratified by the Governing Body.</p>	Implemented
5.6.1 Medium	<p>Examination of the Weekly Catering Returns from April – July 2019 established that they had all been printed on the 3rd July 2019 i.e. shortly prior to the audit.</p> <p>Additionally these returns had not been signed by the Headteacher.</p>	<p>The weekly banking returns should be printed weekly and certified by the Headteacher.</p> <p>These should be appropriately retained along with the Daily Income sheets.</p>	Implemented
5.6.2 Medium	<p>A review of the pupil balances report at the time of audit revealed that 11 pupils had arrears in excess of the two week limit, with a combined total of £987.35.</p> <p>Discussions with Catering Finance identified that no school meal arrears returns had been submitted by the School throughout the year apart for May 2019. It is a requirement to submit this information every half term in accordance with the Council's School Meals Arrears Recovery Protocols.</p>	<p>Where arrears are in excess of the prescribed limits set, then as per the recovery protocols, these should be formally referred to Catering Finance for further recovery action.</p> <p>Details of the current arrears should be submitted to Catering Finance immediately and termly thereafter.</p> <p>The School should liaise with Catering</p>	Implemented

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	Additionally, the Finance Assistant confirmed she was not fully aware of the requirements in respect of School Meal Arrears.	Finance staff to determine the most suitable way of pursuing/progressing the arrears identified and for any training considered necessary.	
5.7.1 Low	A full Inventory review was last undertaken in Summer 2018. Examination of the Inventory showed that whilst it is complete, descriptions and asset numbers for electronic equipment at the School are currently not recorded.  The Headteacher indicated that a review of the Inventory is to take place again in Summer 2020.	When the Inventory is reviewed in Summer 2020, it should be ensured that full descriptions and asset numbers of electronic items are recorded.	Implemented

<b>AUDIT COMMITTEE</b>  <b>5<sup>th</sup> October 2020</b>	<b>AGENDA ITEM NO. 5</b>
<b>REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES</b>	<b>AUDIT COMMITTEE DRAFT WORK PLAN 2020/21</b>

Author: Paul Griffiths (Service Director – Finance and Improvement Services)

## **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to set out a draft work plan for the 2020/21 Municipal Year to enable the Committee to effectively fulfil its Terms of Reference and meet the requirements of the Chartered institute of Public Finance and Accountancy (CIPFA) publication ‘Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition’.

## **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Consider the report and determine whether there are other areas / themes to incorporate within the work plan to aid the effective discharge of Audit Committee’s responsibilities.
- 2.2 Approve a work plan for delivery during the 2020/21 Municipal Year.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure Audit Committee has a balanced work plan alongside appropriate information and support to help enable the effective discharge of its responsibilities.

## **4. BACKGROUND INFORMATION**

- 4.1 As Members will recall, the 15<sup>th</sup> July 2019 Audit Committee meeting provided an overview of its role, in line with its Terms of Reference and

the CIPFA publication 'Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition'. The overview set out (amongst other things):

- The purpose of an Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes (and by overseeing both internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place).
- Audit Committees are a key component of the Authority's governance framework, providing an independent and high-level resource to support good governance and strong public financial management.
- The Audit Committee should play a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and reporting.

4.2 To ensure the work of the Council's Audit Committee is in line with the above requirements, an annual work plan is compiled and published to set out the information to be reported to the Committee during the year.

## **5. DRAFT WORK PLAN 2020/21**

5.1 The draft Audit Committee Work Plan for 2020/21 is included at **Appendix 1** and sets out the Audit Committee's Terms of Reference together with a timetable for bringing reports and information updates before Committee for review and challenge.

5.2 The work plan will be kept under on-going review during the year and where further areas are identified (for example, referrals from Scrutiny Committees), these will be reported to Audit Committee for consideration and, if deemed appropriate, incorporation into the work plan.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 There are no equality and diversity implications as a result of the recommendations set out in the report.

## 7. **CONSULTATION**

- 7.1 There are no consultation implications as a result of the recommendations set out in the report.

## 8. **FINANCIAL IMPLICATION(S)**

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

## 9. **LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The Local Government (Wales) Measure 2011, Chapter 2 section 81 states:

### ***'Local authorities to appoint audit committees***

1. *A local authority must appoint a committee (an "audit committee") to:*
  - a. *review and scrutinise the authority's financial affairs,*
  - b. *make reports and recommendations in relation to the authority's financial affairs,*
  - c. *review and assess the risk management, internal control and corporate governance arrangements of the authority,*
  - d. *make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,*
  - e. *oversee the authority's internal and external audit arrangements, and*
  - f. *review the financial statements prepared by the authority.*
2. *A local authority may confer on its audit committee such other functions as the authority considers suitable to be exercised by such a committee.*
3. *It is for an audit committee to determine how to exercise its functions.*

- 9.2 The draft work plan for 2020/21 will support the Council's Audit Committee to meet the above legal requirements.

**10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 10.1 The work of the Council's Audit Committee aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference', in particular 'Living Within Our Means' through ensuring that appropriate governance arrangements are in place to effectively manage resources.

WELL-BEING OF FUTURE GENERATIONS ACT

- 10.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

**11. CONCLUSION**

- 11.1 The draft work plan set out at Appendix 1 of this report provides a plan for the 2020/21 Municipal Year to allow the Committee to manage and discharge its role in accordance with its Terms of Reference and the requirements of the CIPFA publication 'Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition'.

**Other Information:-**

***Relevant Scrutiny Committee***  
**Not applicable.**

***Contact Officer*** – Paul Griffiths

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**5<sup>th</sup> October 2020**

**AUDIT COMMITTEE DRAFT WORK PLAN 2020/21**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

Author: Paul Griffiths (Service Director – Finance and Improvement Services)

Item: 5

**Background Papers**

None.

Officer to contact: Paul Griffiths.

## Appendix 1 – Audit Committee’s workplan linked to its Terms of Reference.

### Statement of Purpose

The Audit Committee is a key component of Rhondda Cynon Taf County Borough Council’s corporate governance. It provides independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent assurance to the Members of Rhondda Cynon Taf County Borough Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of Rhondda Cynon Taf County Borough Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

### Terms of Reference

As a key element of new arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might prejudice it. The Committee will:-

		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
A	At the first meeting of the Audit Committee following the Council’s Annual General Meeting the Audit Committee shall appoint the Chair of the Audit Committee (who cannot be a member who belongs to a group with Members in the Executive but can be a lay member) and appoint the Vice-Chair of the Audit Committee.		X						



		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
B	To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.	X Draft Annual Governance Statement (AGS) 2019/20				X Receive an update in respect of progress made to implement the proposals for improvement contained within the 2019/20 AGS			X Draft AGS 2020/21
C	Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, and providing the opportunity for direct discussion with the auditor(s) on these.				X Audit Committee – Development and Support	X Strategic Risk Register Update	X Audit Committee – Development and Support	X Strategic Risk Register Update	
D	To review the assessment of fraud risks and potential harm to the Council from fraud and corruption and to monitor the counter-fraud strategy, actions and resources.	X Whistleblowing - Annual Report 2019/20			X Receive an overview of the National Fraud Initiative, along with an update on the work delivered by				X Anti-Fraud, Bribery & Corruption - Annual Report 2020/21 X Whistleblowing - Annual Report 2020/21

		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
					the Corporate Fraud Team				
E	To review the governance and assurance arrangements for significant partnerships or collaborations.								
F	To receive reports in relation to proposed changes to the Authority's Contract Procedure Rules and Financial Procedure Rules and where deemed appropriate, recommend their approval to Council							X Procedure Rules Update	
G	To approve the Internal Audit Charter.			X Internal Audit Charter 2020/21				X Internal Audit Charter 2021/22	
H	Review, approve and ensure the co-ordination of the Annual Internal Audit Plan for the coming financial year	X Interim Risk Based Internal Audit Plan 2020/21						X Draft Internal Audit Plan 2021/22	
I	To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations and to consider any impairments to independence or objectivity arising from	X Internal Audit End of Year Performance Report (incorporated into the Head of Internal Audit (HIA) Annual Report) 2019/20							X Internal Audit End of Year Performance Report (incorporated into HIA Annual Report) 2020/21

		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
	additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.								
J	To receive reports on the performance of the Internal Audit Service throughout the year particularly in relation to matters of financial probity and corporate governance			X Finalised Assignments	X Finalised Assignments	X Standard Performance Report & Finalised Assignments	X Finalised Assignments	X Finalised Assignments	X HIA Annual Report 2020/21 (as referred to in item I)
K	To contribute to the Quality Assurance Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.	As and when required							
L	To provide free and unfettered access to the Audit Committee Chair for the Head of Internal Audit, including the opportunity for a private meeting with the Committee.	As and when required							
M	To receive and consider the Head of Internal Audit's Annual Report and opinion on the level of assurance it can give	X HIA Annual Report 2019/20							X HIA Annual Report 2020/21 (as referred to in

		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
	over the Authority's governance arrangements and associated internal control environment								item l)
N	Act as a point of arbitration, where senior officers of the Authority are unable to agree significant audit report recommendations	As and when required							
O	To receive and consider reports of the External Auditor in relation to matters of financial probity and corporate governance and providing the opportunity for direct discussion with the auditor(s) on these	As and when relevant final reports are provided to the Council by its External Regulators these will be reported to Audit Committee. These reports will be provided to ensure that they can be used when forming an opinion at the end of the financial year in respect of the Council's overall governance arrangements. * The timing of these reports may be subject to change.							
		X Audit Wales Audit Plan for 2020/21		X Audit Wales verbal update on the progress of the audit of the Draft Statement of Accounts for 2019/20					
P	Consider national reports, for example, from the Wales Audit Office, of relevance to the work of the Authority	As and when required							
Q	Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs, and providing the opportunity for direct discussion with the auditor(s) on these				X Receive an overview of the governance arrangements in respect of a core financial system		X Receive an overview of the governance arrangements in respect of a core financial system		

		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
R	Review and comment on the Authority's certified draft financial statements before their approval by Council	X DRAFT Statement of Accounts 2019/20							
S	Oversee the Authority's audit arrangements (both internal and external)	X Audit Committee Annual Report, incorporating a self- assessment against the CIPFA 2018 Practical Guidance Note		X Audit Committee Draft Work Plan 2020/21		X Receive an update in respect of the work of Regional Internal Audit Service			X Audit Committee Annual Report (2020/21), incorporating a self-assessment against the CIPFA 2018 Practical Guidance Note
T	Promote and review any measures designed to raise the profile of probity within the Authority								
U	Agree, where Committee Members deem it appropriate, that a matter arising from a written report to a Committee which requires further clarification may be either dealt with by a request for a written commentary from the appropriate Group Director, or by that Group Director or their senior representative, attending to answer questions in person on that specific matter. Alternatively, the	As and when required							

		20/07/2020	28/09/2020	05/10/2020	02/11/2020	14/12/2020	01/02/2021	22/03/2021	26/04/2021
	Audit Committee can refer the matter to the relevant Scrutiny Committee.								
V	The committee may require members and officers of the Authority to attend before it to answer questions. Such members and officers have a duty to comply but are not obliged to answer any questions that may be refused in court proceedings in England and Wales. The Committee may invite other persons to attend the meeting.	As and when required							