



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2020/21**

<b>AUDIT COMMITTEE</b> <b>2<sup>nd</sup> November 2020</b>	<b>AGENDA ITEM NO. 5</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 16<sup>th</sup> September 2020 and 20<sup>th</sup> October 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 16<sup>th</sup> September 2020 and 20<sup>th</sup> October 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 3 audit assignments have been finalised in the period and are set out in Table 1 below.

Table 1 – finalised audit assignments

**EDUCATION & INCLUSION SERVICES**

- Hawthorn High School
- Mountain Ash Comprehensive School – Purchase Card Follow Up
- DCELLS – Post 16 Planning & Funding

**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**

**2<sup>nd</sup> November 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: 5**

**Background Papers**

None.

Officer to contact: Mark Thomas

## Appendix 1 - Summary of audit assignments completed between 16<sup>th</sup> September 2020 and 20<sup>th</sup> October 2020



### EDUCATION & INCLUSION SERVICES

**AUDIT NAME: HAWTHORN HIGH SCHOOL FOLLOW UP**

**DATE FINAL REPORT WAS ISSUED: 12/10/2020**

#### INTRODUCTION

Hawthorn High School is a mixed 11-18 school. There are 698 pupils on roll, of which 98 are in the 6th form. The percentage of pupils eligible for a free school meal is 20%. The total budget for the school for 2019/20 is £3.46m.

Hawthorn High School was last subject to a routine audit visit in May 2017. Two follow up reviews have since been undertaken at the request of Audit Committee in 2018 and 2019, following the presentation of the final reports to Audit Committee. This routine audit review provides the outcome of the planned review undertaken in accordance with the agreed Internal Audit Plan for 2019/20.

There is an Acting Headteacher in place at the school who was appointed to this role in June 2019. The Acting Headteacher has confirmed that this report will be presented to the Full Governing Body at their next meeting.

#### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2019/20, agreed by Audit Committee, and at the request of the school, all financial systems in operation at the school were considered and an assessment carried out in consultation with the Acting Headteacher and Chair of Governors to identify those areas representing the highest risk to the school, and therefore necessitating review.

On the basis of this assessment, audit work was carried out on the following areas of administration: -

- Governance
- Safeguarding
- School Private Fund
- Purchase Card
- Purchasing
- School Income

## AUDIT OPINION

### Governance

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

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 no Governing Body vacancies and all Sub-Committees have the requisite number of members.

However, it was identified that the school is holding joint meetings for Human Resources and Finance Committees, although the membership of each Committee is different. As a result, there may be occasions whereby the wrong Governors are making decisions on a Committee they are not responsible for or have been appointed to.

The school employs an external Clerk to the Governing Body. Upon review, it was identified that Governing Body/Sub-Committee Agendas and Minutes are not being forwarded to the Council's Governor Support Service as required. Additionally, agenda items are occasionally deferred to next meetings or other Committees, but upon review of the subsequent meetings there is no mention of these agenda items.

All declarations of business interests were retained at the school.

### Safeguarding & Educational Visits

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

The school has a Child Safeguarding Policy in place, and this was last reviewed in December 2019.

Level 1 Safeguarding training was provided to the whole school in September 2019, with additional 'mop-up' sessions provided since for those staff who did not attend. There is a requirement since September 2019 that all schools should have 4 members of staff trained to Level 3 Safeguarding, and this should include the Headteacher. However, it was established that at the time of audit, the school only had 3 staff trained to Level 3, which also does not include the Headteacher.

A record is held at the school of staff who have been DBS checked, and Internal Audit can provide assurance that all staff received DBS clearance prior to commencing in post.

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, from a sample of 5 trips, 2 had not been entered onto EVOLVE and authorised in accordance with the designated timescales. Additionally, off-site sporting activities are currently not being entered at all on EVOLVE.

### School Private Fund

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

The School Private Fund is administered well with detailed records that provide an adequate audit trail for all income and expenditure transactions, which are recorded on manual and electronic ledgers. It was identified that the manual ledger has no running account balance, whilst the electronic ledger system was being paid for from the Fund, which is considered inappropriate.

The Annual Certificate was completed and returned to Education Finance as required, although the Summary of Accounts document, which is signed by the fund auditors, had not been completed appropriately, with all income and expenditure transactions categorised under trips, when there are multiple areas within the fund, such as book clubs, fundraisers, charity events, proms etc.

Audit testing highlighted that there are items of expenditure that are not in line with School Private Fund Regulations.

It was also identified that Statements of Account are not always fully completed with full details of income/expenditure for each trip/activity and signed by the trip/activity organiser as confirmation of the amounts involved.

#### Purchasing

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

The school has a Finance Policy, which highlights the delegated limits of expenditure for the Acting Headteacher before needing to seek formal authorisation from the Finance Committee.

The school mainly raises orders either over the telephone or online. In the main, these orders are not raised on SIMS until after receipt of the goods/invoice, and the copy order/cheque authorisation slips are not retained/signed by an authorised member of staff. Delivery notes/invoices are not always signed as confirmation of by whom deliveries were checked and there is no process in place for regularly reviewing pending orders. There are a large number of non-order invoices raised at the School in addition to high levels of purchase orders raised on SIMS.

Examinations of purchases made also showed a number of payments for staff at the school. On inspection of the subsequent invoices/receipts, it showed that many of these were reimbursements for purchases that had already been made by staff, hence not adhering to the ordering/purchasing systems in place at the school.

The Acting Headteacher should consider how purchases are made by the school. At present, the majority are made using the official ordering system (SIMS). However, the intended systems put into place are not being adhered to. The Acting Headteacher should consider increasing the use of the Purchase Card held by the school, which is often a more efficient use of staff time, and also allows resources to be redirected elsewhere.

#### Purchase Card

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

There is one Purchase Card in operation at the School; however, it is in the name of the former Headteacher.

All purchases were adequately supported by receipts/invoices during the sample period examined. However, there were instances identified whereby VAT had not been reclaimed correctly.

#### School Income

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

The School has a Finance Policy document; however there are elements that require updating to define system processes and staff responsibilities.

All income examined for the sample period was appropriately recorded, and corresponded to SIMS and the bank statements. However there are a number of issues identified, with SIMS not being updated promptly with income collected, income is not always banked intact (with income used to make purchases), or promptly. Additionally, there is no regular, independent review of the income records.

There continues to be a high number of outstanding debts owing to the School. At the time of the fieldwork, a total of £9,985 was owed to the school in respect of invoices in excess of 61 days old. Two hirers are yet to be invoiced despite using school facilities since September 2019.

It was also noted that hires/lettings had not been authorised by the Estates Manager / Acting Headteacher prior to commencement.

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>Examination of the Finance Policy identified that delegated financial limits have been established in respect of the Headteacher and Finance Committee.</p> <p>However, it does not refer to a delegated limit for the Estates Manager, various Heads of Department or the Finance Officer who makes payments using the School Purchase Card.</p>	<p>The School's Finance Policy should be enhanced to confirm the financial limits for delegated authority for all staff authorised to commit the school to expenditure e.g. Estates Manager, Heads of Department, and Finance Officer etc. Once the Policy is updated, this should be presented to the Governing Body for formal approval.</p>	31 December 2020
5.1.2 High	<p>The Minutes present at the school from September 2019 were examined.</p> <p>It was identified that joint meeting for the Human Resources and Finance Committees are being held, although the membership of each Committee is different. As a result, there may be occasions where Governors are making decisions on a Committee for which they are not responsible.</p> <p>Additionally, there are occasions where items raised in previous meetings are not followed through to the next meeting, although decisions are deferred to that next meeting. As a result, there is no continuity or follow up and items appear to be forgotten and no deferred decisions made.</p>	<p>Finance and Human Resources meetings should be held separately.</p> <p>Deferred decisions should be followed up in subsequent meetings and decisions made and minuted.</p>	Implemented
5.1.3 Medium	<p>All schools are required to provide Agendas/Minutes of Governing Body and Sub-committee meetings to the Councils Governor Support Unit.</p>	<p>It should be ensured that all Agendas and Minutes of all Governing Body meetings are forwarded to RCT Governor Support.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	The Headteacher confirmed this does not take place.		
5.2.1 High	<p>An email was sent by the Council's Safeguarding Team on 25th September 2019 to all schools, whereby the following is required of each school in relation to Level 3 Safeguarding Training: -</p> <p>'Level 3 training is to be undertaken on a two yearly basis. It is recommended that four members of staff are trained at Level 3, including the Headteacher, as this ensures secure coverage at Schools for all eventualities in respect of any absence or some Level 3 staff being off site.'</p> <p>Discussion with the School's nominated Child Protection Officer identified that only 3 members of staff have up to date Level 3 Child Protection training, with the Headteacher also having not received the training.</p>	The Headteacher should ensure the appropriate number of staff at the school undertake Level 3 training, including herself, as required by the Council's Safeguarding Team.	31 October 2020
5.2.2 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'. All other visits are for schools to authorise prior to taking place.</p> <p>Examination of a sample of five visits recorded on Evolve identified that two had not been authorised prior to them taking place: -</p> <p>WRU Ref Course Date of Trip – 10/12/2019 Approved on Evolve – 4/2/2020</p>	<p>EVOLVE should be used to document all off-site visits, including those in relation to sporting fixtures / tournaments etc.</p> <p>All staff should be made aware of their responsibilities to avoid confusion.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>WWRY - The Musical Date of Trip – 10/2/2020 Approved on Evolve – 2/3/2020</p> <p>It was also identified that routine off-site visits, such as sporting fixtures, are currently not entered onto Evolve.</p> <p>NOTE: - The three remaining trips examined were found to be entered onto Evolve and authorised in accordance with the recommended procedures.</p>		
5.3.1  Medium	<p>Section 2.3 of the School Private Fund Regulations states that:</p> <p>'The Headteacher must ensure that the Annual Certificate and Summary of Accounts is presented to the Governing Body as soon as possible after the end of the school year...the submission of the Annual Certificate and the Summary of Accounts must be sent to the Education Finance Team in Bronwydd House by the 31st December.'</p> <p>The Annual Certificate was completed on 11th November 2019 and returned to Education Finance. It was also presented to the Governing Body appropriately.</p> <p>However, the Summary of Accounts document, which is signed by the fund auditors, had not been completed appropriately, with all income and expenditure categorised under trips, when there are multiple areas within the fund, such as book clubs, fundraisers, charity events,</p>	<p>It should be ensured that the Summary of Accounts and Annual Certificate are accurately completed and presented to the Governing Body as soon as possible after the end of the academic year.</p>	<p>Implemented</p>

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>proms etc.</p> <p>It is noted that a summary from the ledger system they have at the school which lists all income/expenditure for each individual activity is included, but has not been transposed to the signed Summary of Accounts document.</p>		
5.3.2 Medium	<p>Discussions with the Fund Treasurer established that two 2 ledgers are maintained, one manual and one electronic (called Private Fund Manager). Whilst both are appropriate in format and are up to date, the following issues were identified: -</p> <ul style="list-style-type: none"> <li>• The annual licence fee of £142 for the electronic system is currently financed from the Fund (not to the benefit of the pupils).</li> <li>• The manual ledger does not have a running balance maintained</li> <li>• Examinations of bank statements and both the manual and electronic ledgers (which are printed) for the period September 2019 to the time of audit identified that whilst on occasions there are some ticks on the statements to show reconciled, there is nothing signed or dated to confirm by whom and when this was undertaken.</li> </ul>	<p>The Headteacher should ensure the electronic ledger system (Private Fund Manager) annual costs are not paid for by the Fund, the cost should be met from the School Budget.</p> <p>The Fund Manual Ledger should be amended to include a running balance.</p> <p>Bank statements should be reconciled to the fund ledger by an independent person on a regular basis (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</p>	31 December 2020

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		transactions for the current academic year are accurate.	
5.3.3 High	<p>Examinations of expenditure incurred from the Fund between December 2019 and March 2020 identified high value items being incorrectly paid for. Examples include:-</p> <ul style="list-style-type: none"> <li>• 10/12/2019 - £122.25 - NC - Reimbursement to History teacher for various books purchased.</li> <li>• 28/1/2020 - £51.20 - MB (Tesco) - £35 - Champagne, £16 - Flowers - From the Head teacher's Fund within the Private Fund.</li> <li>• 10/12/2019 - £220.81 - Consortium - 5 African Mask Kits - For the We Will Rock you Show, but are also used for curriculum.</li> <li>• 7/2/2020 - £313.78 - Normans Musical Instruments - Various musical instruments - same as above, also used for curriculum.</li> <li>• 7/2/2020 - £35.90 - Normans Musical Instruments - Various musical instruments - same as above, also used for curriculum.</li> <li>• 28/2/2020 - £142 - Istek Support Ltd - Annual fee for Private Fund Manager Computer system.</li> <li>• 28/2/2020 - £29.15 - Hawthorn HS/Tenpin - Rewards trip for Speech &amp; Learning class – Specific pupils, not general benefit.</li> </ul> <p>It was noted that funds are being transferred from the Fund to the Budget to cover expenditure that is not appropriate to the Fund. This</p>	<p>The items listed fall outside the scope of the fund and this type of expenditure would be more appropriately financed from the budget account in future.</p> <p>Alcoholic beverages should not be purchased by the school.</p> <p>Going forward, staff should be reminded of the correct processes for purchasing should be adhered to.</p>	Implemented

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>appears to be because the School have set up individual 'Accounts' within the Fund whereby teachers lay claim to the money held within those accounts e.g. if Drama puts on shows, any profits from those shows are used to fund items within that department which could be for more shows or for curriculum activities.</p> <p>Additionally, staff are purchasing items without following the correct purchasing systems in place at the school, and then seeking reimbursement from the fund.</p>		
5.3.4  Low	<p>Section 9.2B of the School Private Fund Regulations states that:</p> <p>'Trips must not be run as profit making ventures. However, where a trip has been operated and makes a profit...the balance must either:-</p> <p>i) be divided equally and paid back to each paying pupil ii) be retained by the Private Fund, providing that consent of the parents has been given'</p> <p>Discussions with the Fund Treasurer confirmed there are a number of occasions whereby trips make a profit. Where this is the case, the Fund Treasurer currently refunds pupils/parents for any profit over £1 per pupil.</p> <p>As the limit is so low, the Fund Treasurer is having to cash cheques regularly to refund the amounts, for example, a profit of £153.83 was made on the School of Rock trip, with 44 pupils each to receive £3.49 cash refunds.</p>	<p>The School should investigate the reason for the surplus on the School of Rock trip, and reiterate to all Staff that the calculation of costs should aim to minimise the level of monies left over.</p> <p>A minimum level for refunding pupils should be determined e.g. £5 and communicated to parents in future correspondence; to ensure that surplus balances are treated consistently.</p> <p>In line with the regulations, any remaining balances should be retained within the School Private Fund account.</p>	31 December 2020

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.3.5  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>Discussions with the Fund Treasurer established that Statements of Account are not completed.</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>	31 December 2020
5.4.1  High	<p>Each Budget Holder is responsible for requesting items to be ordered by the Finance Officer. Each Budget Holder is required to complete and sign an Order Requisition form and provide it to the Finance Officer, for an official order to be raised on SIMS and authorised by the Headteacher.</p> <p>However, a review of the processes at the school revealed that this is not always the case, with some staff placing their own orders and then providing information to the Finance Officer after receipt of the invoice/goods (occasionally for reimbursement) or no requisition forms completed/retained at all.</p> <p>Additionally, the following issues were also noted in respect of the school's purchasing arrangements: -</p> <ul style="list-style-type: none"> <li>Orders are being raised on SIMS but are not printed and</li> </ul>	<p>Budget Holders should not raise orders directly.</p> <p>To avoid additional work, invoices for non-orders e.g. utilities, should be paid via the Purchase Card where possible.</p> <p>If the school is unable to use the Purchase Card, and a prior request is known for goods / services, 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</p>	31 December 2020

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
	<p>signed as authorised and retained on file.</p> <ul style="list-style-type: none"> <li>Orders are being raised on SIMS after receipt of the invoice, even though a prior request for the goods would have been made.</li> <li>Occasions were identified whereby Delivery Notes are not signed or dated to confirm who received the delivery.</li> <li>Invoices are not always signed by an authorised Budget Holder prior to payment.</li> <li>SIMS Cheque Authorisation Slips are not retained with the appropriate copy orders/invoices and are also not signed by a delegated cheque signatory.</li> <li>Copies of cancelled order are not retained on file.</li> <li>There are a number of non-order invoices being processed via SIMS, the use of the School Purchase Card would be a more efficient use of staff resources.</li> </ul>	<p>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 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.</p>	
5.4.2  Medium	<p>A sample of 8 non-order invoice payments were examined.</p> <p>Of the 8, it is likely that a prior request would have been made for the services provided / goods requested for 4 payments and consequently, official Purchase Orders should have been raised on SIMS. These were: -</p> <ul style="list-style-type: none"> <li>JR Services x 2 invoices (16/1/2020 - £250 &amp; 18/1/2020 - £168)</li> <li>Argies Coffee x 2 invoices (22/11/2019 - £113.81 &amp; 22/1/2020 - £430.34)</li> </ul>	<p>An order (confirmation if made by telephone) should be raised on SIMS as soon as a commitment to expenditure is known.</p> <p>This will ensure that the budgetary information on SIMS is as accurate as possible, has been authorised in the correct manner and that there is a hard copy of the items ordered at the school which can be used to check the subsequent delivery of goods and relevant invoice.</p>	31 December 2020



SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.5.1 Medium	The school currently has one Purchase Card and this is in the name of the former Headteacher.	The Acting Headteacher should ensure a new Purchase Card is ordered in the name of the appropriate current member of staff.	Implemented
5.5.2 Medium	<p>A sample of Purchase Card purchases for October 2019 were examined, and the following 2 anomalies were identified: -</p> <ul style="list-style-type: none"> <li>Amazon - 2/10/19 - Memory sticks - £20.87</li> </ul> <p>No VAT claimed but the items are Vatable – a check should have taken place to see if company was UK VAT registered to claim back VAT element.</p> <ul style="list-style-type: none"> <li>Tesco - 23/10/19 - 2 x hard drives - £116</li> </ul> <p>No VAT claimed but items are Vatable and company VAT registered.</p>	It should be ensured that all VAT is claimed where goods / company are applicable.	31 December 2020
5.6.1 Medium	The School has a Finance Policy. However, upon examination whilst all aspects of Finance and Administration are detailed, the document does not specify responsibility for tasks.	<p>The Finance Policy should be enhanced to specify the individual staff responsible for the school's financial and administrative tasks.</p> <p>Once completed (taking into account other recommendations within this report), the procedures should be presented to the Governing Body for approval and issued to all appropriate members of staff.</p> <p>NB: Any revision to the Policy should take</p>	31 December 2020

SUMMARY OF RECOMMENDATIONS:			
REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
		into account recommendations raised elsewhere in this report.	
5.6.2 Medium	Discussions with the Finance Officer revealed that the Estates Manager is responsible for the monthly bank reconciliation. However, there is no evidence of any review or reconciliation on any of the income records at the school.	When the bank reconciliation process is undertaken, all income records should show evidence of when and by whom the reconciliation was undertaken i.e. ticked, signed and dated.	Implemented
5.6.3 High	<p>It was identified that invoices issued for hires are not authorised prior to being issued.</p> <p>In addition invoices are not promptly raised and issued to users, for example:-</p> <ul style="list-style-type: none"> <li>RCT football and Taff Ely/Caerphilly football – have not been invoiced for any hires since September 2019.</li> </ul> <p>For those users who have been invoiced, the SIMS Aged Debtors report was examined, and at the time of audit, the following invoices had been outstanding for at least 60 days since raised: -</p> <ul style="list-style-type: none"> <li>Rhydyfelin Scout Group - £420</li> <li>Davies Dolphin - £152</li> <li>SOS Sink or Swim - £3,952 &amp; £2,964</li> <li>Starfish - £2,318</li> </ul>	<p>All invoices should be raised promptly and authorised prior to being issued by the Headteacher.</p> <p>The School should contact the relevant Debtors in respect of the amounts outstanding to ensure that the overdue payments are received.</p> <p>The school should also ensure that all outstanding invoices are regularly reviewed and followed up where payment is not received within the specified deadlines.</p>	Implemented

**SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	<ul style="list-style-type: none"><li>University of South Wales - £80</li><li>Wales Masters Hockey - £99</li></ul> <p>The total of outstanding invoices over 61 days old was £9,985.</p> <p>The Acting Headteacher and School Finance Officer stated that they are actively pursuing outstanding debts, however there was no evidence to support this.</p>		
5.6.4 Medium	<p>Discussions with the Finance Officer established that a cash float of £85.60 has been retained in the school's safe for several years.</p> <p>It was previously used to reimburse pupils travelling expenses for work experience, but this has not been used for a number of years.</p>	The £85.60 float should be banked immediately into the school budget account.	Implemented
5.6.5 Medium	<p>All income collected should be banked intact to ensure there is an audit trail available at the school for all income collected and banked.</p> <p>It was established that income collected within the Swimming Pool has been used to purchase other items i.e. milk. Examples include: -</p> <ul style="list-style-type: none"><li>13/1/2020 - £10 taken from till for milk</li><li>14/1/2020 - £6 taken from till for milk</li></ul> <p>For week ending 19/1/2020, £58.70 was taken in total from cash income for milk for 6 of 7 days that week.</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 be made via cheque or Purchase Card.</p>	31 December 2020

**SUMMARY OF RECOMMENDATIONS:**

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE																								
<p>5.6.6</p> <p>Medium</p>	<p>A Record of Daily Income is maintained for the sale of School ties. Examination of this record identified that whilst income is recorded upon receipt, it is not banked promptly. Additionally, there are large delays between the receipt of tie income and when it is updated to SIMS. These delays vary up to 6 weeks delay in some instances. Examples include: -</p> <table border="1" data-bbox="510 624 1059 1107"> <thead> <tr> <th>Period Income Received</th> <th>Amount</th> <th>Date Banked</th> <th>Date Input on SIMS</th> </tr> </thead> <tbody> <tr> <td>20/3/2019 to 10/7/2019</td> <td>£36.00</td> <td>18/07/2019</td> <td>12/08/2019</td> </tr> <tr> <td>10/7/2019 to 16/9/2019</td> <td>£13.00</td> <td>23/09/2019</td> <td>04/10/2019</td> </tr> <tr> <td>23/9/2019 to 5/11/2019</td> <td>£25.00</td> <td>29/01/2020</td> <td>24/02/2020</td> </tr> <tr> <td>5/11/2019 to 13/1/2020</td> <td>£29.00</td> <td>02/03/2020</td> <td>NOT INPUT</td> </tr> <tr> <td>19/1/2020 to 27/2/2020</td> <td>£16.00</td> <td>02/03/2020</td> <td>NOT INPUT</td> </tr> </tbody> </table>	Period Income Received	Amount	Date Banked	Date Input on SIMS	20/3/2019 to 10/7/2019	£36.00	18/07/2019	12/08/2019	10/7/2019 to 16/9/2019	£13.00	23/09/2019	04/10/2019	23/9/2019 to 5/11/2019	£25.00	29/01/2020	24/02/2020	5/11/2019 to 13/1/2020	£29.00	02/03/2020	NOT INPUT	19/1/2020 to 27/2/2020	£16.00	02/03/2020	NOT INPUT	<p>All income received should be banked promptly.</p> <p>SIMS should also be updated to ensure that it is an accurate reflection of income received.</p> <p>The Headteacher should consider whether the sale of School Ties is required, with the minimal amount of sales taking place.</p>	<p>Implemented</p>
Period Income Received	Amount	Date Banked	Date Input on SIMS																								
20/3/2019 to 10/7/2019	£36.00	18/07/2019	12/08/2019																								
10/7/2019 to 16/9/2019	£13.00	23/09/2019	04/10/2019																								
23/9/2019 to 5/11/2019	£25.00	29/01/2020	24/02/2020																								
5/11/2019 to 13/1/2020	£29.00	02/03/2020	NOT INPUT																								
19/1/2020 to 27/2/2020	£16.00	02/03/2020	NOT INPUT																								
<p>5.6.7</p> <p>Medium</p>	<p>Discussions established that the Estates Manager (up until November 2019) had been delegated responsibility for agreeing and authorising all hires/lettings at the school.</p> <p>However, there was no formal signed authorisations available at the school.</p>	<p>While it is acknowledged that it is part of the Acting Pool Manager's role to manage hires for the school's facilities, the Governing body had delegated this responsibility to the Estates Manager.</p>	<p>31 December 2020</p>																								

**SUMMARY OF RECOMMENDATIONS:**

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE																												
	<p>Since November 2019, the Acting Pool Manager has been responsible for all pool hires however, the Acting Pool Manager has not requested any hirers to complete a booking form.</p> <p>As a result, not all current hirers have completed booking forms, and therefore the Headteacher has not authorised them.</p> <p>NOTE: From January 2020 the Astro turf pitch is fully managed by Leisure Services.</p>	<p>The Estates Manager / Headteacher should authorise all new hires.</p>																													
<p>5.6.8 Low</p>	<p>There are delays between the receipt of income for music tuition (cash &amp; cheques) and when it is updated to SIMS. These delays vary, with instances identified whereby bank statements are received prior to SIMS having been updated. Examples include: -</p> <table border="1" data-bbox="367 930 882 1273"> <thead> <tr> <th>Date Income Received</th> <th>Amount</th> <th>Date on Bank Statement</th> <th>Date Input on SIMS</th> </tr> </thead> <tbody> <tr> <td>6/9/2019</td> <td>£40</td> <td>10/9/2019</td> <td>19/9/2019</td> </tr> <tr> <td>9/9/2019</td> <td>£40</td> <td>19/9/2019</td> <td>25/9/2019</td> </tr> <tr> <td>12/9/2019</td> <td>£40</td> <td>19/9/2019</td> <td>25/9/2019</td> </tr> <tr> <td>12/9/2019</td> <td>£40</td> <td>19/9/2019</td> <td>25/9/2019</td> </tr> <tr> <td>13/9/2019</td> <td>£40</td> <td>19/9/2019</td> <td>25/9/2019</td> </tr> <tr> <td>17/1/2020</td> <td>£2,800</td> <td>21/1/2020</td> <td>4/2/2020</td> </tr> </tbody> </table>	Date Income Received	Amount	Date on Bank Statement	Date Input on SIMS	6/9/2019	£40	10/9/2019	19/9/2019	9/9/2019	£40	19/9/2019	25/9/2019	12/9/2019	£40	19/9/2019	25/9/2019	12/9/2019	£40	19/9/2019	25/9/2019	13/9/2019	£40	19/9/2019	25/9/2019	17/1/2020	£2,800	21/1/2020	4/2/2020	<p>Details of all income received should be updated to SIMS promptly to ensure that it is an accurate reflection of income received.</p>	<p>Implemented</p>
Date Income Received	Amount	Date on Bank Statement	Date Input on SIMS																												
6/9/2019	£40	10/9/2019	19/9/2019																												
9/9/2019	£40	19/9/2019	25/9/2019																												
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## AUDIT NAME: MOUNTAIN ASH COMPREHENSIVE SCHOOL – PURCHASE CARD FOLLOW UP

DATE FINAL REPORT WAS ISSUED: 01/10/2020

### INTRODUCTION

Mountain Ash Comprehensive School was subject to a routine Internal Audit visit in July 2018. The review concluded that the overall control environment in relation to the school's Purchase Card system was 'insufficient and requires improvement'. A follow up review of the Purchase Card was undertaken in March 2019 and this subsequent review concluded that whilst improvements had been made since the original review, work was still required in respect of implementing all recommendations in their entirety.

Following the presentation of the follow up report to Audit Committee on 29th April 2019, a further review of the Purchase Card system was requested by Audit Committee to ascertain whether recommendations made at the time have been successfully implemented.

This audit review provides the outcome of the follow up review that has now been completed.

### SCOPE & OBJECTIVES

The objective of this review was:

- To establish the status of the recommendations raised within the previous audit report (issued March 2019).

### AUDIT OPINION

***This follow up review concludes that the overall control environment in relation to the School's Purchase Cards is considered to be effective with opportunity for improvement.***

The previous audit report (issued March 2019) contained 4 recommendations in relation to the School's Purchase Card system and there were 3 cards in operation at the school. This review has identified that 1 card was subsequently cancelled following the previous audit review and there are currently 2 cards in operation.

The School's main Purchase Card is administered by the School Business Manager, and Internal Audit can confirm that in respect of this card there are no findings contained within this report. Assurance can be given that the card is being held and administered in accordance with the Purchase Card Guidelines issued by the Procurement Service and all previous recommendations have been implemented.

The second Purchase Card is held by a member of the teaching staff. There is a process in place whereby the School Business Manager updates the Transaction Log for this card (this is classed as an administrative and clerical task which is not included in a teacher's job description). Whilst the Purchase Card Guidelines recommend that the Transaction Log is updated by the card holder, these working arrangement introduced by the School allows for the supporting records to be updated and reconciled in a timely manner. Care should however be taken to ensure that transactions are updated accurately as 4 occasions were identified where the Transaction Log had been erroneously updated with expenditure relating to the other card.

In June 2019 (following the previous review) the Headteacher, in consultation with the Governing Body issued a directive to all staff reinforcing that details of the School Purchase Card should not be saved to any personal accounts. All staff were also asked required to sign a declaration acknowledging the instruction.

A review of expenditure identified that for the card held by a member of the teaching staff, the card details had not been removed from a personal Amazon

account and in July 2019, 3 purchases totalling £72.15 were made. Whilst it is acknowledged that there were school related items of expenditure, they were delivered to the teacher's home address (as this was the default on the account). Notwithstanding this, Internal Audit can confirm that since this time and in the subsequent 6 month period examined (August 2019 – January 2020) there have been no further instances identified.

This report recommends that the school continue to monitor the use of the Purchase Cards to ensure that no further instances of card details being saved to personal accounts are identified. The procedure introduced whereby both Transaction Logs are updated by the School Business Manager should help to facilitate this monitoring. Any instances of non-compliance should be escalated to the Headteacher for information and appropriate action.

Furthermore, should any instances of non-compliance be identified consideration should be given to the cancellation of the second card held outside the office with all future items of expenditure processed centrally via the office. This will ensure that card details cannot be saved inadvertently for subsequent use without the need to physically obtain the card.

For both cards examined, receipts were present to support all items of expenditure during the sample period, with VAT reclaimed appropriately and all purchases easily identifiable within SIMS. Both Purchase Cards are securely locked away with access restricted to the 2 cardholders only. An appropriate card sharing log is in place for each card, and the logs are completed each time the cards are shared with other members of staff. This report does however contain a low priority recommendation for one card in respect of this, as the card sharing log is not always completed fully in that the times the card is returned are not always updated and staff do not always sign to accept the card back in.

By implementing the associated recommendations contained within this report, Management will improve the standard of control.

#### SUMMARY OF RECOMMENDATIONS:

REPORT REF. & PRIORITY	FINDING	RECOMMENDATION	IMPLEMENTATION DATE
5.1.1  Low	<p>There are 2 Purchase Cards in operation at the school – one held by the School Business Manager and the other by a member of the teaching staff.</p> <p>There is a process in place whereby the School Business Manager updates the Transaction Log for this card (this is classed as an administrative and clerical task which is not included in a teacher's job description).</p> <p>Whilst the Purchase Card Guidelines recommend that the Transaction Log is updated by the card holder, this working arrangement introduced by the school allows for the supporting records to be updated and reconciled in a timely manner.</p> <p>However, for the current academic year 4 occasions were noted whereby the School Business Manager had updated both Transaction</p>	<p>Care should be taken to ensure that each the Transaction Log is accurately updated to reflect the expenditure relating to each respective card.</p> <p>The regular process of reconciliation which is already in operation at the school will help to ensure that any errors or anomalies are identified.</p>	Implemented

	Logs erroneously with purchases made for the other card.		
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<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.2 High	<p>In June 2019 (following the previous review) the Headteacher, in consultation with the Governing Body issued a directive to all staff reinforcing that details of the school Purchase Card should not be saved to any personal accounts. All staff were also asked to sign a declaration acknowledging the instruction.</p> <p>Audit testing for the current financial year identified that during July 2019, for the card held by a member of the teaching staff the card details had not been removed from a personal Amazon account and the following 3 purchases totalling £72.15 were made.</p> <ul style="list-style-type: none"> <li>• 10.7.19 - £11.68 - Amazon - Desktop Sorter</li> <li>• 19.7.19 - £19.53 - Creative Teaching – poster</li> <li>• 19.7.19 - £40.94 - Amazon - Magazine file &amp; waste paper bin</li> </ul> <p>Whilst it is acknowledged that these were school related items of expenditure, and it has been confirmed that the items are at school, they were delivered to the teacher's home address (as this was the default on the account).</p> <p>Notwithstanding this, Internal Audit can confirm that since this time, and in the subsequent 6 month period examined there have been no further instances identified.</p>	<p>Staff should be reminded that all Purchase Card expenditure should be made using a valid school email address, and delivery should always be made to the school address.</p> <p>Under no circumstances should the school's Purchase Card details be recorded on the personal accounts for any member of staff and this should be reinforced again by the Headteacher to all members of staff.</p> <p>The school should continue to monitor the use of the Purchase Cards to ensure that no further instances of card details being saved to personal accounts are identified.</p> <p>Any instances of non-compliance should be escalated to the Headteacher for information and appropriate action.</p> <p>Furthermore, should any instances of non-compliance be identified consideration should be given to the cancellation of the second card held outside the office with all future items of expenditure processed centrally via the office. This will ensure that card details cannot be saved inadvertently for subsequent</p>	Implemented



<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
		use without the need to physically obtain the card.	

<b>SUMMARY OF RECOMMENDATIONS:</b>			
<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
5.1.3 Low	Card sharing logs are in place for both cards in use at the school. While the logs are completed each time the Purchase Cards are shared with other members of staff, for the card held by a member of the teaching staff, the log is not always completed fully in that the times the card is returned are not always completed and staff do not always sign the card back in.	Care should be taken to ensure that on occasions where a member of staff requires the use of the card, the card sharing log should be completed in full and include the times the card is returned together with the signature of both members of staff.	Implemented

**AUDIT NAME: POST 16 PLANNING AND FUNDING 2019/20**

**DATE FINAL REPORT WAS ISSUED: 24/09/2020**

**INTRODUCTION**

The Director of Education & Inclusion Services determines budget shares for Secondary Schools in accordance with a formula that complies with the Financing of Maintained Schools Regulations 1999. One of the key elements taken into account is the number of registered pupils at each School prescribed by the Post 16 Planning & Funding Department. For 2019/20, the Welsh Government delegated the responsibility for allocating £8.8 million of 6th Form Funding to the Director of Education & Inclusion Services.

To calculate and delegate 6th Form Funding fairly, Schools need to demonstrate that pupils are following full-time programmes and are attending the appropriate lessons. As a way to demonstrate this, Schools are required to ensure that clear and efficient registration practices are in place and that they are accessible to the Local Authority for monitoring purposes. It is also a legal requirement for Schools to maintain accurate registers of pupil attendance.

#### SCOPE & OBJECTIVES

In accordance with the Internal Audit Plan for financial year 2019/20, agreed by Audit Committee, a review of the procedures for the accurate and timely submission of data used in the calculation of 6th Form Funding was undertaken.

The primary purpose of the review was to provide management with an opinion on the adequacy and effectiveness of the supporting systems of internal control surrounding 6th Form Funding. The specific control objective was: -

- To ensure that 6th Form Funding allocations have been accurately calculated, submitted and a full audit trail is available.

The audit review was carried out on a sample of pupils included in the October 2019 data extracted by the 14 to 19 Strategy Officer from each School's pupil database for 6th Form Funding. The schools examined were:-

- Bryncelynnog Comprehensive;
- Mountain Ash Comprehensive;
- Aberdare Community School;
- Ysgol Garth Olwg;
- Ysgol Llanhari;
- Ysgol Gyfun Rhydywaun.

#### AUDIT OPINION

***Overall, the control environment is considered to be effective with opportunity for improvement.***

Internal Audit is able to provide assurance that the funding returns submitted to the 14 to 19 Strategy Officer have been accurately completed.

Notwithstanding this, issues were identified at some of the Schools examined and further improvements are required in relation to the procedures for recording class registrations in order to evidence that pupils are actually attending School, and the lessons that were claimed for can be accurately verified.

Recording a pupil's attendance at School accurately is important for the pupil, the School and the Council. From the evidence examined at the six Schools sampled for this review, not all Schools were able to demonstrate that 6th form pupils are undertaking and attending full-time educational programmes due to variable attendance registration processes and, inaccurate completion of class registers throughout the day. Consequently, some Schools are unable to accurately demonstrate the attendance at lessons of its 6th form pupils.

Schools have previously been informed of the requirements and importance of completing accurate class registers for pupils. However this continues to remain an area where further improvements are required to ensure consistency. Schools visited agreed that due to the current way in which attendance is recorded throughout the day, they may be unable to provide an accurate list of 6th Form pupils in School at any point in the School day, should there be an emergency.

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
<p>5.1.1</p> <p>High</p>	<p>At each of the Schools sampled it was identified that class registers are not always being maintained for academic lessons as well as Key Skills / Welsh Baccaalaureate lessons.</p> <p>This is of particular concern as it demonstrates that teachers are not fully aware of the implications of not completing class registers:</p> <p><u>Safeguarding</u> Schools must ensure the whereabouts of children at all times.</p> <p><u>Funding</u> Unless Schools can demonstrate each pupil is attending in a full time capacity, then funding may not be applicable.</p> <p>The procedures for recording consortium lessons for 'visiting' pupils is deemed as poor, as it was identified that Schools are not liaising with each other in ensuring pupils are attending and ensuring all registers are up to date.</p> <p>The above issues were of particular concern at Mountain Ash, Ysgol Garth Olwg and Ysgol Llanhari.</p> <p>Additionally, Bryncelynnog are using an incorrect attendance code for pupils who are dual registered and on-site are being marked as off-site (Code B).</p>	<p>Registers should be maintained for all subjects taught to ensure there is sufficient evidence at each School to demonstrate that each pupil is attending the subjects as stated on their return.</p> <p>Schools need to be reminded that registers for consortium pupils also need to be maintained, with regular cross referencing between each consortium School.</p>	<p>31 October 2020</p>
<p>5.1.2</p> <p>High</p>	<p>Schools are required to keep accurate up to date information on pupils and the learning activities they undertake. These are to be maintained on SIMS and Course Manager.</p>	<p>Schools should ensure their Course Manager and SIMS computer programmes are accurate and updated appropriately (as and when changes occur) prior to submitting</p>	<p>31 October 2020</p>

**SUMMARY OF RECOMMENDATIONS:**

<b>REPORT REF. &amp; PRIORITY</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>IMPLEMENTATION DATE</b>
	It was identified at Ysgol Garth Olwg that this is not the case, with pupils recorded incorrectly as to whether they are following a Single Registration or Dual Registration learning activity.	their claims.  This will ensure that the information recorded on their Post 16 Planning and Funding Arrangement returns is accurate.	