



ORKNEY
ISLANDS COUNCIL

INTERNAL AUDIT

Schools Audit

Audit Report

2014/15

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Contents

Executive Summary	1
Introduction	2
Audit Scope	2
Audit Findings	4
Action Plan	5

EXECUTIVE SUMMARY

- This audit reviewed various operational procedures within schools including schools administration, grants, security, financial procedures and human resources. The audit focused specifically on two primary schools.
- The procedures followed at both schools were found to be similar and controls are in place and operating well. Areas of good practice identified during the audit include the following:
 - I. The register of those entitled to free school meals is maintained up to date and only those pupils on the register are given free meals.
 - II. Risk assessments are prepared, checked and authorised where required for school trips.
 - III. Security measures are in place within both schools to restrict access to the building during school hours. Visitors are required to sign in on arrival at these schools with access only being allowed via a member of staff at each reception.
 - IV. Procedures are in place in order to control and monitor expenditure. Official Council orders are used for purchases from the schools' budgets, expenditure is recorded within each school, and these records are reconciled on a regular basis to reports from the Council's finance ledger.
 - V. There are authorised staff establishments for teaching and non-teaching staff at both schools and procedures were being followed for the administration of staffing matters.
 - VI. Personnel records are held for all employees which contain the contracts of employment; these records were found to be held securely.
- The report includes 4 medium priority recommendations which are set out in the table below under the priority headings. The priority headings assist management in assessing the significance of the issues raised. In this audit there were no high priorities identified.
- Responsible officers will be required to update progress on the agreed action via Aspireview.

Total	High	Medium
4	0	4

The assistance provided by officers contacted during the course of the audit is gratefully acknowledged.

INTRODUCTION

The Schools Service oversees 22 schools in Orkney supporting school staff in providing a quality educational experience for all young people, whatever their abilities. The service is committed to providing an enriching cultural environment for pupils through the expressive arts and instrumental tuition service.

The School Service also includes an early year's service (including Home Link as well as links with Orkney's 2 pre-school partner providers), the Educational Psychology Service, Pupil Support, the SEAL (social and emotional aspects of learning) Project and the expressive arts and instrumental tuition service.

AUDIT SCOPE

The purpose of the audit was to review the following aspects of the operational procedures within schools: -

1. Schools Administration including: -
 - i. School meals – free school meals, banking of school meals income
 - ii. Pupil records – maintenance
 - iii. Absence monitoring – recording and action
 - iv. Inventory – all assets
 - v. School fund – management
 - vi. Risk assessments – procedures
 - vii. ICT equipment – security
 - viii. School usage charging policy – out of hours usage
2. Grants including: -
 - i. Clothing grants – administration
3. Security including: -
 - i. Security of building
 - ii. Safe – contents, security
 - iii. Key holder arrangements
 - iv. Fire drills – records
4. Financial procedures including: -
 - i. Petty cash – administration
 - ii. Banking – arrangements and frequency
 - iii. Income – private telephone calls and photocopying
 - iv. Ordering and payment of goods and service – procedures
 - v. DSM budget – allocation and monitoring
 - vi. Tuck shop administration
5. Human Resources including: -
 - i. Staffing arrangements – appropriate level, contracts
 - ii. Supply cover – arrangements
 - iii. Overtime – administration

- iv. Timesheets – administration
- v. Additional paid/unpaid leave

Audit testing was carried out at two primary schools and focused on the financial year 1 April 2014 to 31 March 2015.

Audit Findings: Medium Priority**1.0 Schools Administration**

1.1 Testing found that of the applications examined for free school meals and clothing grants all of the applicants were entitled to receive the assistance according to their applications submitted. However evidence is not always provided by the applicant and checked before an award for free school meals or a clothing grant is made.

1.2 In accordance with the policy free school meal entitlement and school clothing allowances should only be confirmed once proof has been received that an applicant is in receipt of one of the qualifying benefits listed.

Recommendation 1

1.3 The room at one school in which the IT server is located has no window and the temperature of the room was showing as warm on the temperature gauge however there is fire and smoke detection in place throughout the school.

1.4 The temperature of the IT server room should be monitored over a period of time in order to determine whether the room gets too hot on occasion and action should then be taken if required to rectify this.

Recommendation 2

2.0 Security

2.1 Whilst steps are taken to ensure that any cash funds are held securely, very occasionally however depending on the value of the funds held, the measures taken may not be sufficient to ensure the funds are fully insured. The value of funds insured varies dependent on whether funds are held in a locked receptacle or a safe.

2.2 Consideration should be given to purchasing a safe so that cash amounts are held in accordance with insurance limits. Guidance can be obtained from the Council's Insurance Administrator on this.

Recommendation 3

2.3 Due to temporary staff shortage at one school it was found that fire drills were not being undertaken at regular intervals.

2.4 Procedures should be implemented at all schools which ensure that training is provided for fire drills to be undertaken at regular intervals including arrangements for any periods of staff shortage.

Recommendation 4

3.0 Financial Management

3.1 It was found that reimbursements for the petty cash floats at both schools are paid into the school fund bank accounts by the Payments Section and cash is then withdrawn for the floats from any cash awaiting banking to the school funds. The floats are run this way for practical reasons although currently the amounts into and out of the funds for petty cash do not match.

3.2 While the operation of the petty cash floats in this manner is not best practice the difficulties faced by the schools in obtaining reimbursements are recognised and provided the floats are balanced at each reimbursement so that there is no impact on the school fund balance this method can continue.

No recommendation required

	Recommendation	Responsible Officer	Management Comments	Agreed Completion Date
Schools Administration				
1	In accordance with the policy free school meal entitlement and school clothing allowances should only be confirmed once proof has been received that an applicant is in receipt of one of the qualifying benefits listed. Medium Priority	Educational Resources Manager	School admin staff and catering staff are informed by Senior Admin Officer for EMA/Grants prior to the start of the new school term which pupils should be in receipt of free meals and clothing allowances. Staff will be reminded of the procedure and the requirement to adhere to it.	August 2015 prior to start of term
2	The temperature of the IT server room should be monitored over a period of time in order to determine whether the room gets too hot on occasion and action should then be taken if required to rectify this. Medium Priority	Educational Resources Manager	The Building Inspector Manager has been informed of this, in the first instance they will set up a USB logging device to monitor the temperature. If the server is causing the room to be too hot then IT will be informed to review the positioning of the server.	August 2015
Security				
3	Consideration should be given to purchasing safes so that cash amounts are held in accordance with insurance limits. The Council's Insurance Administrator should be contacted for guidance on this. Medium Priority	Educational Resources Manager	Managers are aware of the importance of cash not being kept unsecure on the property. A reminder will be issued to schools for compliance with policy and safes purchased where required.	August 2015
4	Procedures should be implemented at all schools which ensure that training is provided for fire drills to be undertaken at regular intervals including arrangements for any periods of staff shortage. Medium Priority	Educational Resources Manager	This was the result of a long term absence by a member of staff. The Head Teacher has since been trained to undertake or ensure fire drills are regularly undertaken.	August 2015

Priority	Assessment
High	<ul style="list-style-type: none"> • Key control absent or inadequate; • Serious breach of regulations; • Significantly impairs overall system of internal control; • No progress made on implementing control; • Requires urgent management attention.
Medium	<ul style="list-style-type: none"> • Element of control is missing or only partial in nature; • Weakness does not impair overall reliability of the system; • Recommendation considered important in contributing towards improvement in internal controls; • Management action required within a reasonable timescale.

Note:

It should be recognised that where recommendations in the action plan are not implemented there may be an increased risk of a control failure. It should be noted however that it is the responsibility of management to determine the extent of the internal control system appropriate to their area of operation.