

## **Item: 4**

**Monitoring and Audit Committee: 8 February 2024.**

### **Internal Audit Report**

**School Establishment Audit – Eday Primary School.**

**Report by Chief Internal Auditor.**

## **1. Purpose of Report**

To present the internal audit report on administrative procedures and controls within Eday Primary School.

## **2. Recommendations**

The Committee is invited to scrutinise:

### **2.1.**

The findings contained in the internal audit report, attached as Appendix 1 to this report, relating to administrative procedures and controls within Eday Primary School, in order to obtain assurance that action has been taken or agreed where necessary.

## **3. Background**

### **3.1.**

Orkney has a school population of approximately 3,000. The Education Service oversees 23 schools in Orkney supporting school staff in providing a quality education experience for all young people, whatever their abilities.

### **3.2.**

Eday Primary School serves the island of Eday. There are 11 primary school pupils and three who attend Nursery.

### **3.3.**

The objective of this audit was to review the procedures followed within Eday Primary School, including areas such as school administration, financial management, human resource management and security. This review is part of a rolling programme of school audits.

## **4. Audit Findings**

### **4.1.**

The audit provides adequate assurance that there is a robust framework of administrative procedures and controls within Eday Primary School.

### **4.2.**

The internal audit report, attached as Appendix 1 to this report, includes one medium priority recommendation regarding risk assessments and seven low priority recommendations regarding the school policies, security of assets, business continuity planning, the school fund processes, fire safety check training, timesheet processes and Council website information. There are no high priority recommendations made as a result of this audit.

### **4.3.**

The Committee is invited to scrutinise the audit findings to obtain assurance that action has been taken or agreed where necessary.

## **5. Corporate Governance**

This report relates to the Council complying with governance and scrutiny and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **6. Financial Implications**

There are no financial implications associated directly with the recommendations in this report.

## **7. Legal Aspects**

Complying with recommendations made by the internal auditors helps the Council meet its statutory obligations to secure best value.

## **8. Contact Officer**

Andrew Paterson, Chief Internal Auditor, extension 2107, email [andrew.paterson@orkney.gov.uk](mailto:andrew.paterson@orkney.gov.uk).

## **9. Appendix**

Appendix 1: Internal Audit Report: Eday Primary School.



## Internal Audit

### Audit Report

### School Establishment Audit - Eday Primary School

Draft issue date: 6 December 2023

Final issue date: 17 January 2024

<b>Distribution list:</b>	<b>Corporate Director for Education, Leisure and Housing</b> <b>Head of Education</b> <b>Service Manager (Primary Education)</b> <b>Head Teacher</b> <b>Quality Improvement Officer – Attainment and Achievement</b> <b>Head of Improvement and Performance</b>
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## Audit Opinion

Based on our findings in this review we have given the following audit opinion.

**Adequate**

**Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.**

A key to our audit opinions and level of recommendations is shown at the end of this report.

## Executive Summary

Eday Primary School is a vital part of the Community in Eday and has undergone significant staff changes as well as inspection visits from Education Scotland and the Care Inspectorate over the last few years.

The newly appointed permanent Head Teacher has been in post as Acting Head for two years and has been instrumental, with support from Education Service staff, in delivering change and acting on recommendations that has led to positive feedback from Education Scotland Inspectors.

This audit reviewed how the school is running operationally from a procedural perspective, focussing on school administration, security, financial management and human resource management.

In the course of the audit, we found examples of good practice including:

- A robust system for the administration of Free School Meals and Clothing Allowance.
- Security measures within the school to prevent access to classroom and office areas during community use of the building.
- Pupil records are held on SEEMIS and the Council network ensuring files are backed up and secure.
- There is an up-to-date school ICT Inventory detailing equipment held by the school as well as who it has been allocated to. Parents have been asked to sign a letter agreeing to take responsibility for the security of devices should they be taken home as was the case during the COVID-19 pandemic.
- Staff iLearn records are up-to-date in respect of the GDPR and Information Security modules.
- Good records of fire safety checks and drills are kept and the school ensure the children are able to plan for fires in different areas of the building using a visual display representing fire which has been made by the children.

The report includes 8 recommendations which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via Pentana Risk.

Total	High	Medium	Low
8	0	1	7

## Introduction

Orkney has a school population of approximately 3,000. The Education Service oversees 23 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.

Eday Primary School serves the Island of Eday. There are 11 pupils who attend Eday Primary School and 3 who attend the Nursery. There are two teachers for P1-P7 which eases issues around travel for supply teachers. Nursery pupils have their own nursery room and outdoor space. The Eday Community Association agreed to the school having sole access to the community room during term-time Monday to Friday and as a result they pay a reduced levy for this space. The community room is used as a second classroom space.

There are challenges that were highlighted as part of the audit process including travel connections for itinerant and supply teachers. Additionally, the layout of the school is under review following discussions between the Head Teacher and senior management.

The assistance provided by officers contacted during this audit is gratefully acknowledged.

This review was conducted in conformance with the Public Sector Internal Audit Standards.

## Audit Scope

Audit work included reviewing the procedures in place for:

### 1. Schools Administration including:

- School meals – free school meals, reconciliation of school meals income.
- Clothing allowances – administration.
- Pupil records – maintenance, absence policy and monitoring.
- Inventory – all assets, security of assets.
- School fund – management.
- Risk assessments – procedures.
- School usage charging policy – out of hours usage.
- Repairs and maintenance – procedures.

### 2. Security including:

- Security of building.
- Safe – contents, security.
- Key holder arrangements.
- Fire drills – records.

### 3. Financial procedures including:

- Pupil Equity Funding (PEF) – spending, budget monitoring.
- Petty cash – administration.
- Banking – arrangements and frequency.

- Income – private telephone calls and photocopying.
- Procurement – ordering and payment of goods and services.
- DSM budget – allocation and monitoring.
- Tuck shop administration.

4. Human resources including:

- Staffing arrangements – appropriate level, contracts.
- Supply cover – arrangements.
- Overtime – administration.
- Timesheets – administration.
- Additional paid/unpaid leave.

# Audit Findings

## 1.0 School Administration

1.1 Although the school held Council policies and procedures on file in the office, there were no school-specific policies in place related to aspects of school management and operation. The Head Teacher informed us that they are working alongside another Primary school in Orkney to develop a set of policies and procedures that cover required elements and are in accordance with statutory guidelines and best practice. Policies and procedures should be in place along with a system for regular review.

### Recommendation 1

1.2 There is a policy in place for the entitlement of school meals and clothing allowance available on the Council website and families can apply online. Schools are notified of those pupils entitled to free school meals and this information is kept up to date by the Senior Administrative Officer in the Education Department who also oversees the applications that are made. These applications are checked and evidence to support the applications are held on file. This process is robust and families are kept informed about the application process and subsequent payments that will be made. Checking the Scottish Government website against the Council School Meals and Clothing Allowance information, there are some details that should be added to the Council website to inform families of help and support they could be entitled to. This would include details about getting free lunches if you were not getting benefits or tax credits because of financial hardship (due to immigration status or awaiting the first Universal Credit notice) as well as details about help with school meals during school holidays 2023/24.

### Recommendation 2

1.3 Through examination of the rooms belonging to the school, there were no items seen that are worth more than £5,000 and the Head Teacher confirmed this. Therefore, there is no requirement for an asset inventory. However valuable goods should be marked with a UV pen to indicate that they belong to the school.

### Recommendation 3

1.4 Although through discussion with the Head Teacher, they are aware of potential health and safety risks and implement mitigations where required in the day-to-day running of the school, there are no general risk assessments in place for the school premises such as for the outdoor play equipment or using the hall equipment. Risk assessments covering any risk of harm within the school premises should be conducted and shared with the school team. There should be a process of yearly review in place to ensure they are kept up to date.

### Recommendation 4

## 2.0 Security

2.1 Daily and weekly checks of fire safety were recorded as well as details of fire system checks completed in August 2023 by an external provider. There were clear escape routes signposted, fire extinguishers and smoke alarms located throughout the school. The daily and weekly fire safety checks were reliant on one member of staff and due to staff absence have not been completed since October 2023. Training should be provided to another member of staff to ensure that these checks are done continuously.

### Recommendation 5

- 2.2 The Head Teacher has a system of contacting families in the event of an emergency school closure however there is no business continuity plan in place for the school. A business continuity plan should be written to ensure continuity of operations and to prepare for unexpected events.

**Recommendation 6**

**3.0 Financial Management**

- 3.1 Up until recently, the school has not had access to the school fund account as the previous bank account signatories had all left and it was a challenge to get new signatories established within the current staffing establishment mainly due to the bank being difficult to access outwith school hours on the mainland.
- 3.2 The Head Teacher and other permanent staff in the school are now signatories and will have access to the account including a bank card and pay-in book. The Head Teacher wants to use internet banking to make it easier to monitor the school account and there are plans to implement a system of tracking income and expenditure, reconciling this with bank statements. The lack of access has not prevented the school from being able to pay-in money and there have been statements sent to them to provide a balance. Petty cash is held securely.
- 3.3 Now that access has been granted for the bank account holding the school fund, procedures should be implemented which include the reconciliation of the income and expenditure to the bank statements as well as procedures for petty cash administration.
- 3.4 Banking should be carried out monthly or when the amount held in the school reaches £500 (which is the maximum insured limit if not within a safe).
- 3.5 School fund account signatories should include a central member of staff based in the Education Service to ensure continuity of access to funds through staff changes in schools.

**Recommendation 7**

**4.0 Human Resource Management**

- 4.1 The majority of timesheets submitted were in time for the payroll deadline however most were also missing information or incorrect. The Education Department staff team corrected or added missing information on the timesheets as required. Through examining timesheets from another establishment in addition to Eday Primary School, there is a pattern of timesheets frequently not being completed correctly which results in increased workload for the Education Department in processing them.
- 4.2 The existing timesheet process should be reviewed to increase entry point accuracy and streamline the process. Consideration should be given to the development of a corporate system that improves the efficiency and effectiveness of time sheeting across the organisation as part of the Council's improvement agenda.

**Recommendation 8**



## Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1 Policies and procedures should be in place for the school to include all aspects of school operations and management along with a process for review.	Low	Working with the Head Teacher's mentor, the Head Teacher will establish and implement the key business policies.	Head Teacher	30 June 2024
2 The information on the Council website should be updated to include details about getting free lunches if families are not getting benefits or tax credits because of financial hardship (due to immigration status or awaiting the first universal credit notice) as well as details about help with school meals during school holidays 2023/24.	Low	The website will be updated where required.	Quality Improvement Officer – Attainment and Achievement	31 January 2024
3 Valuable goods should be marked with a UV pen to indicate that they belong to the school.	Low	The Head Teacher confirmed that all valuable goods have been marked with a UV Pen and there is also a digital record.	Head Teacher	Complete
4 Risk assessments covering any risk of harm within the school premises should be	Medium	The Local Authority format will be implemented with support from the Head Teacher's mentor.	Head Teacher	30 April 2024

conducted and shared with the school team. There should be a process of yearly review in place to ensure they are kept up to date.				
5 Training should be provided to another member of staff on fire safety to ensure that these checks are done continuously.	Low	Training on Local Authority procedures to be provided to identified members of staff.	Head Teacher	30 April 2024
6 A business continuity plan should be written to ensure continuity of operations and to prepare for unexpected events.	Low	A structure is in place for all schools. This was revisited with all Head Teachers at the Head of Establishment meeting in November 2023.	Head Teacher	30 June 2024
7 School fund procedures should be implemented which include the reconciliation of the income and expenditure to the bank statements as well as procedures for petty cash administration.  Banking should be carried out monthly or when the amount held in the school reaches £500 (which is the maximum insured limit if not within a safe).  School fund account signatories should	Low	Agreed.  Education Finance Officer to be added as a signatory to School Fund bank account.  Education Service to review similar sized schools and implement a similar process.	Head Teacher and Quality Improvement Officer – Attainment and Achievement	30 June 2024

<p>include a central member of staff based in the Education Department to ensure continuity of access to funds through staff changes in schools.</p>				
<p>8. The existing timesheet approach should be reviewed to increase entry point accuracy and streamline the process.</p> <p>Consideration should be given to the development of a corporate system that improves the efficiency and effectiveness of time sheeting across the organisation as part of the Council's improvement agenda.</p>	<p>Low</p>	<p>Short Term- Review of the current timesheet process and promotion of training on responsibilities in completing timesheets to relevant staff.</p> <p>Longer term - Consider the development of a corporate timesheet system as part of the Council's improvement agenda</p>	<p>Team Leader (Resources) EL&amp;H</p> <p>Head of Improvement and Performance to include this in the improvement agenda proposals to CLT</p>	<p>30 April 2024</p> <p>30 June 2024</p>

## Key to Opinion and Priorities

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

### Recommendations

Priority	Definition	Action Required
<b>High</b>	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
<b>Medium</b>	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
<b>Low</b>	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.