



## Report of the Director of Education

Special Audit Committee – 10 March 2020

### Gwrosydd Primary School Audit Report 2019/20

<b>Purpose:</b>	To provide an update on the Gwrosydd Primary School audit report for the above period
<b>Report Author:</b>	Jonathan Atter (Headteacher)
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<b>Legal Officer:</b>	Deb Smith
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<b>For Information</b>	

#### Internal Audit on Gwrosydd Primary School – Update March 2020

##### 1. Introduction

- 1.1 As a result of an internal audit on Gwrosydd Primary School carried out in 2019, an assurance level of moderate was given.
- 1.2 An action plan was developed to address the issues identified and appropriate implementation steps put in place.

This report highlights all the High Risk (HR) and Medium Risk (MR) items only. All items including actions taken to date can be found within Appendix A, which sets out the report in full and associated actions, Low Risk (LR) items and points of good practice (GP)

The follow up Audit in January 2020 acknowledged that 18 of 21 recommendations are being fully implemented. 3 Low Risk recommendations have not been fully implemented and will be reviewed at the next Audit review. These have now been implemented from the school's point of view.

- 1.3 This action plan identified the following HR and MR actions.

## **Unofficial Fund**

- 2.3.4 Whilst it was noted that a monthly reconciliation of the School Fund was being completed, there was no evidence of an independent review of the reconciliation being undertaken. (MR)

### **Progress to Date/Agreed and updated actions –**

It was agreed that the Primary Support Officer (PSO) Chair of Governors (CoG) or Vice Chair of Governors (VCG) would review and sign reconciliation monthly from November onwards. The follow up Audit in January 2020 acknowledged that this is being fully implemented

## **Expenditure**

- 2.3.4 The non-order facility was being used repeatedly for items where an official order should have been raised in advance on the SIMS system. (MR - Repeated from previous audit)

### **Progress to date/Agree and updated actions-**

It was agreed that official orders are to be raised in advance of purchases, including those that are to be funded by the unofficial school fund. The follow up Audit in January 2020 acknowledged that this is being fully implemented

- 2.6.1 Some payments from the delegated budget selected as part of our testing were deemed not to be for the direct benefit of the pupils. (MR)

### **Progress to date/Agree and updated actions-**

This expenditure was investigated by the Head, CoG, VCG and PSO. It was agreed that the school would adopt the Constitution for Unofficial funds as advocated by the Audit Section which clearly outlines what expenditure school funds should be used for. Any additional costs to the school that are incurred by staff that are not for the benefit of the children are to be passed back to the staff who incurred them. The follow up Audit in January 2020 acknowledged that this recommendation is being fully implemented.

- 2.6.2 Testing revealed that a senior member of staff had made a significant number of purchases on behalf of the school, which had been reimbursed from the delegated account. Reimbursements for purchases made by staff should only take place in exceptional circumstances, as purchases should be made via the ordering process on SIMS. (HR)

### **Progress to date/Agree and updated actions-**

All purchases made over the previous 5 years were reviewed in detail by the Head, CoG, VCG and PSO. It was acknowledged that the expenditure was made in the interests of the children and the school, and that there was a system of sign off in place to ensure the items were in school, however, the actions were not in line with Audit guidance recommendations and any such ordering would cease as of November 2019. Any purchases made

would need to be exceptional and prior written agreement from CoG, VCG obtained in advance of exceptional purchase. The follow up Audit in January 2020 acknowledged that this is being fully implemented

- 2.6.4 It was also noted that a number of the purchases outlined above had been delivered to the member of staff's home address rather than directly to the school. (MR)

**Progress to date/Agree and updated actions**

In line with the previous action, all deliveries are to be made to school. The follow up Audit in January 2020 acknowledged that this is being fully implemented

**2. Equality and Engagement Implications**

- 2.1 There are no equality and engagement implications associated with this report.

**3. Financial Implications**

- 3.1 There are no financial implications other than those set out in the body of the report.

**4. Legal Implications**

- 4.1 There are no legal implications other than those set out in the body of the report.

**Background Papers:** None.

**Appendices:**

Appendix A - Gwyrosydd Primary School – Management Action Plan – Follow Up 2019/20.

**CITY AND COUNTY OF SWANSEA**  
**AUDIT REPORT ACTION PLAN – UPDATE**  
**EDUCATION: GWYROSYDD PRIMARY SCHOOL 2019/20**

REPORT REF	RECOMMENDATION	CLASS HR; MR; LR; GP	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	PROGRESS UPDATE JAN 20
<b>Banking Procedures</b>						
2.2.1	All safe keys should be removed from the premises overnight, to comply with insurance requirements.	LR	All safe keys to be taken off site each night by JE/AF.	JA/AF	04/11/19	2 Sets of Keys are taken off site by two separate members of staff
2.2.2	The current system should be simplified to reduce the frequency of income being transferred between accounts.	GP	Income funds to be paid directly into the account from where invoices are paid to avoid banking duplication.	AF / JA	November 2019	Ordering and payment system has been reviewed and orders are now placed directly to the corresponding accounts
<b>Unofficial Funds</b>						
2.3.1	The Unofficial Fund should be audited within a reasonable period after year end in line with Accounting Instruction No 11.	LR	Audit of school fund to be completed by end of Autumn term.	JA	Autumn 2019	The Unofficial fund has been audited by two independent people before the end of the academic year in accordance with Accounting Instruction No 11
2.3.2	The Constitution set out in Accounting Instruction No. 11 should be used.	LR	Return Accounting Instruction No.11 to governors for ratification.	JA	November 2019	Accounting instruction No 11 Constitution has presented to and agreed by the Governing Body

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2.3.3	Where income has been banked into the Unofficial Fund, invoices with no VAT should be paid directly from the Unofficial Fund.	LR	Happy to comply with this.	JA / AF	<i>November 2019 onwards</i>	This has been implemented
2.3.4	The monthly reconciliation of School Fund should be printed and reviewed by an independent person, and evidence of the review should be recorded.	MR	PSO or VCG to sign reconciliation.	AF / JA	<i>November reconciliation 2019 onwards</i>	The monthly reconciliation of School Fund IS now printed and reviewed by CoG, VCG or PSO
<b>School Meal Income</b>						
2.4.1	All parents and staff should be encouraged to set up sQuid accounts to reduce the amount of cash collected.	LR	<p>School to move to online payments only by Jan 2020. Visit other schools for advice Nov 2019. Staff to only use squid Nov 2019. Letter actively encouraging parents to use squid Nov 2019.</p> <p>All new parents to have squid accounts only Nov 2019 onwards. Letter reinforcing need for Squid only account Dec 2019. Squid only lunch accounts by spring 2020. Expand use of squid 2020 onwards.</p>	JA / JA	<i>November 2019 onwards</i>	<p>Admin staff visited another school who had implemented sQuid account to all and sought best practice and experience – Nov 19</p> <p>Parents were informed of new procedures and all Dinner payments are now made via sQuid. – Nov 19</p> <p>By Christmas all parents were paying for meals via sQuid. New parents are advised that payment can only</p>

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						be made through sQuid
2.4.2	Where the school still accepts cash payments Fund Deposits Reports should be produced weekly and reconciled to income collected prior to banking. Weekly Reports should be filed with banking details.	LR	Fund report to be printed on Friday afternoon and reconciled to be banked the following week until cashless squid is achieved.	JA / JA	11 November 2019 onwards	<b>Implemented.</b>
2.4.1 & 2.4.3	All school meals income collected in cash should be allocated correctly on sQuid in a timely manner.	LR	Agreed.	JA / JA	October 2019	<b>Implemented.</b>
2.4.4	Members of staff should be asked to pay their school meals arrears immediately.	LR	Staff told there can be no arrears - SQuid account payments only.	JA	October 2019	<b>Not Implemented.</b>  Thirteen members of staff are in arrears as at the date of the follow up visit.
2.4.4	The School Dinner Money Policy should be adhered to and any long-term arrears settled.	LR	Review policy and procedure and make changes to improve. Visit other schools. Parents to be advised of arrears sooner outstanding debt to be chased and reduced sooner. Revise system to create time for the above.	JA / JA / AF	November 2019 2019 onwards	<b>Partly Implemented.</b>  Arrears have reduced, however the £12 cap had been exceeded. Enquiries with sQuid revealed that the cap is being bypassed by redeeming the costs for the meals manually instead of

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						using the pre-order system. This should stop immediately.
<b>Expenditure</b>						
2.6.1 a) 2.6.3 a) & 2.6.5	An official order should be raised in advance for all expenditure to ensure that the expenditure is duly authorised and committed promptly to the cost centre. Non-order payments should be restricted to utilities / teaching supply invoices only.  <b>(Previous Audit Recommendation)</b>	MR	Orders to be raised in advance of purchases, including school fund, B&Q Orders, Fuel, purchases by HT.	JA / AF	<i>Mid November 2019 onwards</i>	As of November 2019 all Orders have been raised in advance of purchases
2.6.1 b) & 2.6.3 b)	The delegated budget should be used for the benefit of the pupils, as stated in the Scheme for the Financing of Schools.	MR	No flowers for staff to be paid by school funds. Parking fines etc (costs that could be avoided) to be the responsibility of the driver.	JA	<i>Mid November 2019 onwards</i>	As of Nov 19 the Scheme for the Financing of Schools regulations are followed at all times
2.6.2	Reimbursement for purchases made by staff should only take place in exceptional circumstances. All purchases should be made via the ordering process on SIMS FMS.	HR	All purchases to be made via the ordering process on SIMS FMS. Any exceptional purchase to be pre-approved by chair or vice chair of governing body and reason recorded.	JA / AF	<i>Mid November 2019 onwards</i>	<b>As of Nov 19</b> All purchases have been made via the ordering process on SIMS FMS.
2.6.3	When items are purchased from a member of staff prior approval should be obtained from the	GP	See above	JA / AF	<i>Mid November 2019 onwards</i>	<b>Agreed and implemented</b>

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	Chair of Governors to ensure transparency.					
2.6.4	All deliveries should be made directly to the school.	MR	All deliveries to school.	JA	<i>Mid November onwards</i>	As of Nov. 19 All deliveries are made directly to the school.
2.6.6 a), b) & c)	Quotations should be obtained, or Single Supplier Waiver forms completed and Governing Body approval sought for all expenditure over £5,000 including cumulative spend, with an individual supplier within the financial year.  <b><i>(Previous Audit Recommendation)</i></b>	LR	Request to be complied with.	JA / AF	<i>Mid November 2019 onwards</i>	Governors have agreed any cumulative spends over £5000. The agreed process will be followed if any external suppliers are to be used in future.
2.6.7	It should be ensured that proper insurance arrangements are in place and have been checked for any persons / companies used by the school to provide services / consultancy advice which have not been arranged via the Corporate Contract. E.g. <ul style="list-style-type: none"> <li>• 3<sup>rd</sup> party insurance for all.</li> <li>• Professional indemnity for Consultants.</li> <li>• Employers Liability for all where the Contractor employs anyone regardless</li> </ul>	LR	Documentation to be collected in line with recommendation.	JA / AF	<i>Mid November 2019 onwards</i>	To date no persons or companies have been engaged but the agreed documentation will be collected from anyone engaged in line with recommendation.



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	<p>of number or if they are full time.</p> <ul style="list-style-type: none"> <li>Contractors 'All risk' for Building related services.</li> </ul> <p>Copies of insurance certificates and other relevant documentation should be retained as confirmation.</p> <p><b>(Previous Audit Recommendation)</b></p>					
2.6.10 a)	The Governing Body should approve a pre-defined authorisation limit for the Multi-pay card.	LR	£5,000 limit to be defined in next governing body meeting	JA	<i>November 2019 GB meeting</i>	This has been presented and agreed
2.6.10 b)	The Multi pay card pro forma should be authorised by a signatory other than the cardholder.	LR	Pro forma to be signed by Chair/Vice Chair/ Deputy Headteacher	AF / JA	<i>November 2019 onwards</i>	This was an error, procedures have been implemented to ensure this doesn't happen again
2.6.10 c)	The Multi pay Card should only be used in exceptional circumstances and should not be used as a means of bypassing the standard ordering system via SIMS FMS.	LR	Comply with recommendation	JA	<i>Mid November 2019 onwards</i>	Recommendation being Implemented.
<b>Inventory</b>						
2.8.1 a) & b)	Appropriate inventories should be maintained in accordance with	LR	Re-check inventory descriptions and serial numbers. Number not	JA	<i>Mid November 2019 onwards</i>	Inventories have been reviewed and

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	<p>Accounting Instruction No. 9. It should be ensured that:</p> <ul style="list-style-type: none"> <li>• Full descriptions are recorded including make, model &amp; serial number where item has not been centrally recorded with an asset reference number.</li> <li>• Entries are made upon receipt of items.</li> </ul> <p><i>(Previous Audit Recommendation)</i></p>		<p>found to be recorded as such.</p> <p>All staff held items recorded to staff</p>			<p>updated to ensure full compliance.</p>
<b>Computer Security</b>						
2.9.1	<p>All users of SIMS FMS should change their passwords annually.</p> <p><i>(Previous Audit Recommendation)</i></p>	GP	Generic users to be removed from system	JA / AF	<i>November 2019</i>	Local Authority IT team contacted and unused accounts have been closed.