

Final Internal Audit Report Archbishop Tenison's CE High School (Limited Scope Review) April 2018

Distribution: Head Teacher
Chair of Governors
School Business and Development Manager
Executive Director, People (Final Only)
Director of Finance, Investment and Risk (Final Only)
Director of Education and Youth Engagement (Final Only)

Assurance Level		Recommendations Made	
Full Assurance	Direction of Travel from previous audit: Improvement from Substantial	Priority 1	0
		Priority 2	0
		Priority 3	1

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1. Introduction

- 1.1. Archbishop Tenison's CE High School is a Church of England Voluntary Aided School and at the time of audit there were 756 pupils attending. It has an expenditure budget of approximately £4.5m for the current financial year.
- 1.2. The audit was undertaken as part of the agreed Internal Audit Plan for 2017/18 based on a risk assessment. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Recommendations and Issues

- 2.1. There were no key issues identified, although a priority 3 recommendation was raised in section 2 below.

Acknowledgement

We would like to thank the following members of staff for their time and contribution to this audit:

- Head Teacher
- School Business and Development Manager

2. Priority 3 Finding

Recommendation	Findings
<p>1) The Head Teacher should ensure that officers checking that the goods/services have been received obtain and sign delivery notes/invoices accordingly.</p>	<p>The Archbishop Tenison's CE High School Financial Policies and Procedures Manual, section D13 states that, "The Finance Assistant must check goods and services on receipt match the order which should be annotated accordingly.</p> <p>Examination of a sample of 15 transactions found that in three instances (20%) there was no signature of the person confirming the receipt of goods or services to provide proper accountability over this important check.</p> <p>Where there is no accountability for goods/services received checks, there is a risk that payments may be made for goods and services that are not received.</p>
Management Response	
<p>The School agrees that a signature is needed for receipt of goods and services. In these three cases, there was in effect a record of receipt, in that "No delivery note" was written with a date. With that in mind, the school nevertheless accepts that a signature addition is important since this is the first part of goods received good practice.</p>	

**Agreed Terms of Reference
Archbishop Tenison's CE High School – 2017/18**

1. INTRODUCTION & BACKGROUND

1.1 This audit is being undertaken as part of the agreed Internal Audit Plan for 2017/18.

2. AUDIT OBJECTIVES AND METHODOLOGY

2.1 To provide an independent and objective opinion on the degree to which the Council's internal control environment supports and promotes the achievement of the Council's objectives. The internal control environment comprises the policies, procedures and operations in place to:

- establish, and monitor the achievement of the service's objectives;
- identify, assess and manage the risks to achieving the services objectives;
- facilitate policy and decision making;
- ensure the economical, effective and efficient use of resources;
- ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- safeguard the service's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption; and
- ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

2.2 To confirm that management have controls in place to detect and vigorously, pursue, fraud, corruption, other irregularities, errors and poor value for money.

2.3 To confirm that appropriate management action has been taken to implement recommendations for change leading to improvement in performance and/ or control.

3. SCOPE

3.1 The audit included the following areas (and number of recommendations made):





Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Budgetary Control & Monitoring	0	0	0

Payroll	0	0	0
Procurement	0	0	1
Bank Accounts	0	0	0
Income	0	0	0
School Fund	0	0	0

Definitions for Audit Opinions and Recommendations

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk,
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to recommendations are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.