

## Final Internal Audit Report Saffron Valley Collegiate December 2017

**Distribution:** Head Teacher  
Chair of Governors  
School Business 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	
<b>Substantial Assurance</b>	Direction of Travel from previous audit: Not previously audited, although individually the PRU's last received limited assurances.	Priority 1	0
		Priority 2	2
		Priority 3	4

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### Appendices

1. Terms Of Reference
2. Definitions For Audit Opinions And Recommendations

### 1. Introduction

- 1.1. Saffron Valley Collegiate is a Pupil Referral Unit Federation and at the time of audit there were 210 pupils attending. It has an expenditure budget of approximately £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

#### Priority 2 Recommendations

Of the Management Committee meeting minutes examined, one was found to have not been signed, although a subsequent meeting had been held. **(Rec 1)**.

The School did not submit its annual safeguarding audit to the Council by the required deadline date **(Rec 2)**.

The priority 3 recommendations are included included under item 4 below.

### Acknowledgement

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

- Head Teacher
- School Business Manager

### 3. Actions and Key Findings/Rationale

#### Audit Area: Governance

Priority	Recommendation 1	Detailed Finding/Rationale		
2	The Chair of the Governing Body should be reminded to ensure that meeting minutes are signed as at the next meeting and that copies of these signed minutes are readily available at the School.	<p><b>Expected Control</b></p> <p>The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 paragraph 15 (1) states that, 'The clerk to the governing body (or the person appointed to act as clerk for the purpose of the meeting in accordance with regulation 10(3)) must ensure that minutes of the proceedings of a meeting of the governing body are drawn up and signed (subject to the approval of the governing body) by the chair at the next meeting.'</p> <p><b>Issue/Finding</b></p> <p>The minutes of the Management Committee meeting held on 22 February 2017 had not been signed by the Chair of the Management Committee, although a subsequent meeting was held on 8 March 2017.</p> <p><b>Risk</b></p> <p>Where Management Committee minutes are not signed to confirm that these are a true and accurate record, there is a risk that errors or omissions may not be identified and unauthorised initiatives may be implemented.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The meeting on 22/2/17 was the annual MC budget setting meeting. The budget was subsequently approved at the MC meeting 8/3/17. It was an oversight to omit signing the minutes from 22/2/17 at this point.		Agreed	Clerk to the MC	The minutes will be signed retrospectively at the next meeting.

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## Audit Area: Safeguarding

Priority	Recommendation 2	Detailed Finding/Rationale		
2	The School should submit its annual safeguarding self-assessment to Croydon Council by the deadline requested.	<p><b>Expected Control</b></p> <p>Section 11 of the Children's Act 2004 and Section 157/175 of the Education Act 2002 require that the Local Authority, maintained schools and other education providers 'make arrangements for ensuring that their functions relating to [their] conduct are exercised with a view to safeguarding and promoting the welfare of children who are pupils at the school'. Croydon Council require the School's annual safeguarding audit to be submitted by Friday 9 December 2016.</p> <p><b>Issue/Finding</b></p> <p>The School's annual safeguarding self-assessment for 2016/17 was submitted to Croydon Council on 18 January 2017, which was after the required deadline.</p> <p><b>Risk</b></p> <p>if the School's annual safeguarding self-assessment is submitted late, the Council is not properly aware of the Schools safeguarding arrangements and there is a risk that, if needed, the Council may not be able to take appropriate action/s.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
The safeguarding self-assessment was completed in liaison with the nominated MC member for safeguarding, and discussed and agreed at the MC meeting 23/11/2016. Due to the merger of four schools into one with finance and HR system mergers happening in December/January there was an oversight in submitting the report to the LA.		Agreed	Deputy Headteacher	Annually

## Priority 3 Recommendations

Recommendation	Findings
<p>1) The New Governor Induction pack should include the Croydon Scheme for Financing Schools and the DfE Governor's Handbook.</p> <p><u>Management Response</u></p> <p>Both of these documents have been added to the governors' induction portal.</p>	<p>The DfE recommends that schools provide new governors with an induction pack that gives adequate guidance and that their roles and responsibilities have been explained.</p> <p>Examination of the New Governor Induction pack indicated that this did not include: The Scheme For Financing Schools or the DfE Governor's Handbook.</p>
<p>2) The School's Finance Policy and Procedures Manual should be updated to properly reflect the Head Teacher's purchasing limit.</p> <p><u>Management Response</u></p> <p>The limit was £10,000 and during the meeting a proposal was made to raise the limit to £20,000. This was not amended in the policy but has now been rectified.</p>	<p>The School's Finance Policy and Procedures Manual, approved 18 January 2017 details that, 'Headteacher authorises up to £10,000.' However, the Management Committee minutes dated 18 January 2017 state that, 'The Headteacher limit of £10,000 for purchase requisitions was agreed by the MC to be increased to £20,000.'</p>
<p>3) Copies of documents obtained as part of the recruitment process 'right to work in the UK verification checks' should be marked 'original seen', signed and dated.</p> <p><u>Management Response</u></p> <p>All new staff are required to submit original documents for verification as part of the recruitment process. The comment has been noted and copies will be marked accordingly for verification.</p>	<p>The advice on the GOV.UK website states that, 'You must check that a job applicant is allowed to work for you in the UK before you employ them. You must see the applicant's original documents. You must check that the documents are valid with the applicant present. You must make and keep copies of the documents and record the date you made the check. You could face a civil penalty if you employ an illegal worker and haven't carried out a correct right to work check.'</p> <p>A sample of three recent staff appointments was examined. Although evidence of 'right to work in the UK' checks in the form of copies of passports etc. being retained was available, these documents were not marked 'Original seen' to confirm that the original copies of these were seen or signed and dated.</p>
<p>4) The Head Teacher should authorise laptop loan forms.</p> <p><u>Management Response</u></p> <p>A review of all laptops on loan will be held as the forms relate back to the individual schools before the merger into SVC. New forms will be issued and a review of stock is due in the Spring term.</p>	<p>The Keeping Your Balance Standards for Financial Management in Schools, standard M4, states, 'Whenever school property, for example, musical instruments or computers, is taken off the school site it should be signed for and a register noted accordingly.'</p> <p>Examination of ten laptop loan forms found that two were not evidenced as authorised.</p>

**Agreed Terms of Reference  
Saffron Valley – 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)
Governance and Leadership	0	1	2





Budgetary Control & Monitoring	0	0	0
Payroll	0	0	1
Safeguarding	0	1	0
Procurement	0	0	0
Bank Accounts	0	0	0
Information Governance	0	0	1
Income	0	0	0
Health and Safety	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:

<b>Priority 1 (High)</b>	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
<b>Priority 2 (Medium)</b>	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
<b>Priority 3 (Low)</b>	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.