

Denbighshire Internal Audit Services
Caledfryn, Smithfield Road, Denbigh LL16 3RJ

Internal Audit Follow Up

Blessed Edward Jones – First Follow Up

June 2014



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Purpose & Scope of Review

We issued our Internal Audit report in October 2013 giving a medium assurance rating and raising 13 moderate issues.

We have now followed up the action plan included with our report to assess progress with implementing the agreed improvements.





Audit Opinion

While there has been considerable progress in implementing the action plan, there are still some issues to be addressed and some target dates have been missed. Although the School has addressed elements of the issue/risks that we identified in our original review, in some cases these have not addressed over-arching issue/risks as yet.

In particular, the Council's Corporate Governance Committee has expressed a wish to view the School's financial recovery plan, but this has not yet been fully developed.

As there are still some issues outstanding, our assurance rating remains as 'medium'. We will carry out a further follow up visit in July 2014 to assess progress.

Assurance Rating (Based on areas reviewed)

	High Assurance	Risks and controls well managed
	Medium Assurance	Risks identified but are containable at service level
	Low Assurance	Risks identified that require meeting with Corporate Director/Lead Member
	No Assurance	Significant risks identified that require member / officer case conference

Action Plan Progress

Audit Review of: Blessed Edward Jones –First Follow up

Date: June 2014

Action Plan Owner: Head Teacher

Corporate Risk/Issue Severity Key

	Critical – Significant CET and Cabinet intervention
	Major – intervention by SLT and/or CET with Cabinet involvement
	Moderate – Containable at service level. Senior management and SLT may need to be kept informed

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1.	The composition of the Governing Body is incomplete as there is a vacancy for a LEA governor and also a vacancy for the clerk to the governors.	Propose to advertise externally for a Clerk to the Governors. Job description & person specification being prepared. Business & Finance Manager – Jan 2014	Complete New Clerk to Governors appointed 3 March 2014. List of training dates made available to her and training to be undertaken as soon as possible.	
		Chair of Governors aware of the vacancy and approach to be made to prospective governor Chair of Governors – Feb 2014	Not complete – overdue Chair of Governors has been ill so no action taken to date.	New Clerk made aware of the vacant position and will take forward with Deputy Chair in next few weeks.
2.	Not all governors have been checked by the Disclosure and Barring Service (DBS) and other qualification/disqualification checks, including Bankruptcy and Company Directors Disqualifications need to be completed for all governors.	DBS packs requested again for three new governors 4 December 2013 Personal Assistant to Head teacher – Jan 2014	Complete Final DBS response received from Governor on 3 June 2014 and sent to HR Direct to update records.	
		Other checks to be investigated and undertaken for all governors when new Clerk is appointed. New Clerk to the Governors – Feb 2014	Not complete	New Clerk to review existing records and arrange for other checks to be investigated and completed. Further update June 2014 prior to next Governors meeting.

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
3.	Not all members of staff who can influence financial decisions have completed declaration of business interest forms.	Review of declaration of business interest forms to be undertaken and omissions completed. Personal Assistant to Head Teacher – Jan 2014	Complete Declaration of Business interest for Business & Finance Manager now completed.	
4.	<p>Governing Body minutes need to be improved in the following areas:</p> <ul style="list-style-type: none"> <li data-bbox="224 584 663 676">• They do not include who is to complete actions and by when. <li data-bbox="224 791 663 884">• They lack evidence to show the Governing Body acting as a critical friend. <li data-bbox="224 1104 663 1197">• They do not show that the Governing Body discusses and agrees all action. 	<p>New Clerk to receive training to ensure actions agreed in meetings are allocated to members with estimated time for completion.</p> <p>New Clerk to the Governors – asap after appointment by Feb 2014</p> <p>New Clerk to receive training to ensure that discussions which evidence Governing Body acting as critical friend are documented correctly.</p> <p>New Clerk to the Governors – asap after appointment by Feb 2014</p> <p>Minutes template to be revised to include update/ review of actions from previous meetings</p> <p>New Clerk to the Governors – asap after appointment by Feb 2014</p>	<p>In progress – Overdue Training for new Clerk arranged for 9 June 2014.</p> <p>Complete Discussion with new Clerk on 9 April 2014 regarding requirement to evidence in the minutes where Governors have questioned, queried and challenged proposed actions to evidence their role as ‘critical friend’.</p> <p>Complete New template in place for recording of minutes.</p>	<p>Future minutes will include evidence of role as ‘critical friend’.</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<ul style="list-style-type: none"> Some minutes were missing 	Review of minutes for last 12 months to be undertaken by new Clerk when in post and copies taken for the minutes file New Clerk to the Governors - asap after appointment by Feb 2014	Complete Review completed and all copies held in minutes file.	
	<ul style="list-style-type: none"> The Chair had not signed most sets of minutes that we saw. 	When new Clerk appointed, all minutes will be reviewed to ensure that they are all signed by the Chair. New Clerk to the Governors - asap after appointment by Feb 2014	Complete All minutes now signed. Clerk to Governors aware of need to complete this task for each set of minutes in future.	
5.	The financial management document is out of date and does not agree with the current committee list. There is also no reference to health and safety in the terms of reference for the H&S and Resources Committee.	Governance of Financial Management Policy to be reviewed and amended in line with recent personnel/ process changes. Business & Finance Manager/ Finance Committee - May 2014	Complete Policy reviewed and amended by Business & Finance Manager with reference to 'Keeping Your Balance' guidance. Policy to be submitted to full Governing Body for approval at July meeting.	
		Terms of Reference for H & S and Resources Committee to be revised for consideration at next meeting. New Clerk/ Finance committee - May 2014	Complete Terms of reference for H&S and Resources Committee reviewed by Clerk and will be submitted to full Governing Body for approval at July meeting.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
6.	The School needs a robust financial recovery plan to significantly reduce its budget deficit and prevent removal of its delegated powers.	Budget figures for 2014/15 awaited, together with projections for next two years. Upon receipt, revised three-year projections to be prepared. Business & Finance Manager - Jan 2014	In progress - overdue Three-year projections for 2014-17 currently being finalised. Deficit reduced from £414K to £250K in 2013. Further reduction of £146K forecast for 2014 but budget will still be in deficit at end March 2015. Email sent to Education Planning & Resource Manager on 9 April 2014 requesting licensed deficit.	Complete three-year projections and develop recovery plan
		Full restructure of teaching and support staff to be undertaken starting in January 2014 to remodel workforce requirements. Head Teacher/ Business & Finance Manager/ Governing Body - May 2014	Complete Redundancy process for 2014-15 completed with the loss of one Admin support member. Other staffing reductions achieved through resignations and request for flexible working.	
		Close monitoring of expenditure to continue with monthly finance reviews between Head teacher & Business & Finance Manager Head Teacher/ Business & Finance Manager - on-going	Complete Monthly reviews with Headteacher now in place.	

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7.	The number of stand-alone invoices that the School processes is too high, increasing the risk of unauthorised purchases and making budgetary control more difficult.	<p>List of annualised expenditure in key areas, e.g. supply, general maintenance, etc. being compiled to identify areas for improvement</p> <p>Finance & Administration Officer/ Business & Finance Manager - on-going to Mar 2014</p>	<p>Complete Purchase orders raised for annualised contracts e.g. photocopier rental, subscriptions, etc. New member of staff to take responsibility for this process from September 2014 due to redundancy of existing post holder. Proactis training arranged for 23 June with on-going monitoring and coaching to continue to reduce standalone invoices to a minimum. Only exception will be for invoices from supply agencies for daily supply which will continue to be keyed as standalone invoices as per discussion with the Proactis team.</p>	
		<p>Purchase orders to be raised in April 2014 for all areas identified above so that invoices received can be matched upon receipt.</p> <p>Finance & Administration Officer/ Business & Finance Manager - Apr 2014</p>	<p>Completed See above</p>	
		<p>All employees to be reminded to follow authorisation process for all planned expenditure.</p> <p>Head Teacher - Feb 2014</p>	<p>Complete Members of staff advised via SIMS bulletin each month and details of process available in the staff room for reference purposes.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		Data to be obtained from Proactis team to monitor % improvement during the year. Business & Finance Manager – December 2013 (ongoing data collection)	In progress – on-going action Initial report obtained to act as baseline data.	Termly review to be undertaken by Business & Finance Manager from April onwards.
8.	Invoices are not always paid promptly, increasing the risk of suppliers claiming interest for late payment.	System to be set up by Business & Finance Manager/Finance Officer to chase progress of purchase orders on a weekly basis to ensure that invoices are received and paid within terms of credit agreement Business & Finance Manager / Finance & Administration Officer – Mar 2014	Complete New system introduced for all Proactis orders keyed after 1 April, 2014. Orders to be filed separately until goods have been received and fully invoiced. Outstanding orders reviewed on a weekly basis with non-receipt of items and/or invoice to be chased, with all contact being documented for audit purposes. Process will be monitored at regular intervals by the Business & Finance Manager.	
9.	There are some security and access issues that the School needs to address:			
	<ul style="list-style-type: none"> Pupils are gaining access through an exit only route. 	Reception staff to be advised not to allow pupil access to the admin corridor without checking that members of staff are available. Business & Finance Manager – Dec 2013	Complete Reception staff have been advised not to allow pupils access to the admin corridor, as stated. Regular reminder emailed to staff by Business & Finance Manager.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<ul style="list-style-type: none"> Reception staff allow pupils access to the administration corridor through a fob-controlled door without checking whether there is someone there to meet them. This allows pupils access to unlocked offices. 	<p>Members of staff occupying offices along the administration corridor issued with keys for their offices. All members of staff advised that offices should be locked when empty.</p> <p>Business & Finance Manager - Dec 2013</p>	<p>Complete Members of staff advised to lock the admin office and examinations office when empty. Improvements have been made since the Internal Audit visit. Reminder memo to be sent to members of staff each month. Business & Finance Manager will deal with future breaches as and when they occur. Monthly reminder added to 'To Do' list within Lotus Notes.</p>	
	<ul style="list-style-type: none"> Fob keys are not reconciled, so members of staff no longer working at the School may still have access. 	<p>Caretaker to complete audit of fobs each term, making adjustments as and when required. Records to be maintained as evidence</p> <p>Caretaker - From Jan 2014</p>	<p>Complete Caretaker has diary entry to review at end of every half-term and remove staff leavers.</p>	
	<ul style="list-style-type: none"> It would be beneficial to carry out a risk-assessment of the Reception area, where there is no CCTV, panic alarms and limited exits 	<p>Risk assessment of the Reception area to be completed as advised</p>	<p>Not yet completed</p>	<p>Risk assessment of the Reception area to be completed</p>
10.	<p>Members of staff do not have any formal guidance on lone working, which is needed for robust health and safety management.</p>	<p>Lone working policy to be developed using DCC guidance and made available to all staff. Hardcopy to be issued to key holders (Caretakers/ Head teacher/ Business & Finance Manager)</p> <p>Business & Finance Manager - Feb 2014</p>	<p>Not complete- overdue No action taken to date.</p>	

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11.	The School's CCTV in the 'Inclusion' Room may be breaching Data Protection requirements relating to overwriting and retention of data.	Review of School's CCTV usage and data retention requirements to be undertaken. Data Protection guidance to be reviewed and CCTV policy to be prepared for Governing Body approval. Business & Finance Manager / Governing Body - Mar 2014	In progress - overdue CCTV guidance obtained from ICO website but policy not yet written.	Develop guidance on CCTV usage for Governing Body approval.
12.	Computers are not always locked when members of staff leave them unattended, increasing the risk of unauthorised access and data security breaches	All members of staff to be reminded, monthly, to lock computers when they are left unattended. Personal Assistant to Head Teacher/Head Teacher - Jan 2014	Complete Monthly reminder to be circulated via SIMS Bulletin to members of staff from May 2014.	
13.	The School's admissions policy does not fully comply with the Welsh Admissions Code 2013, as there are some areas of the Code that are missing from the admissions policy.	Admissions policy to be reviewed in consultation with the Welsh Admissions Code 2013 and amended as required. Admissions Committee / New Clerk to the Governors - Mar 2014	Complete Amendments to policy and application form to be submitted to Governors at July meeting for approval	

Report Recipients

- Head teacher
- Chair of Governors
- Finance & Business Manager
- Corporate Director: Customers
- Head of Education
- Head of Customers and Education Support
- Business & Performance Manager
- School Effectiveness Performance Officers
- Education Planning and Resource Manager
- Complaints & Investigations Officer
- Business Support Officer
- Strategic Procurement Manager
- Lead Member for Education
- Chair of Performance Scrutiny Committee
- Performance Scrutiny Member
- Lead Member for Finance and Assets
- Corporate Governance Committee
- Ward Members

Key Dates

Review commenced	April 2014
Review completed	April 2014
Reported to Corporate Governance Committee	3 July 2014
Proposed date for next follow up review	July 2014