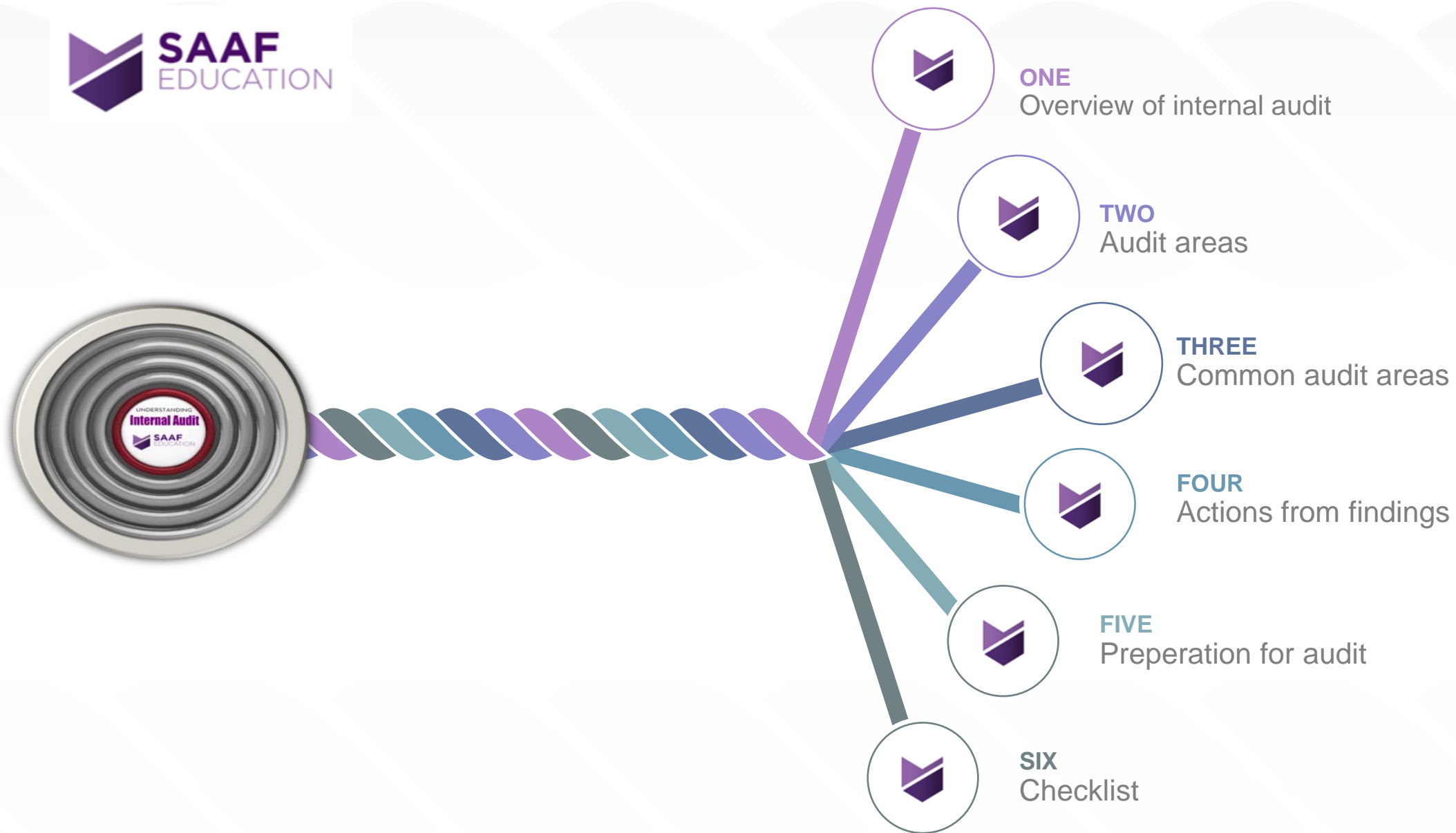




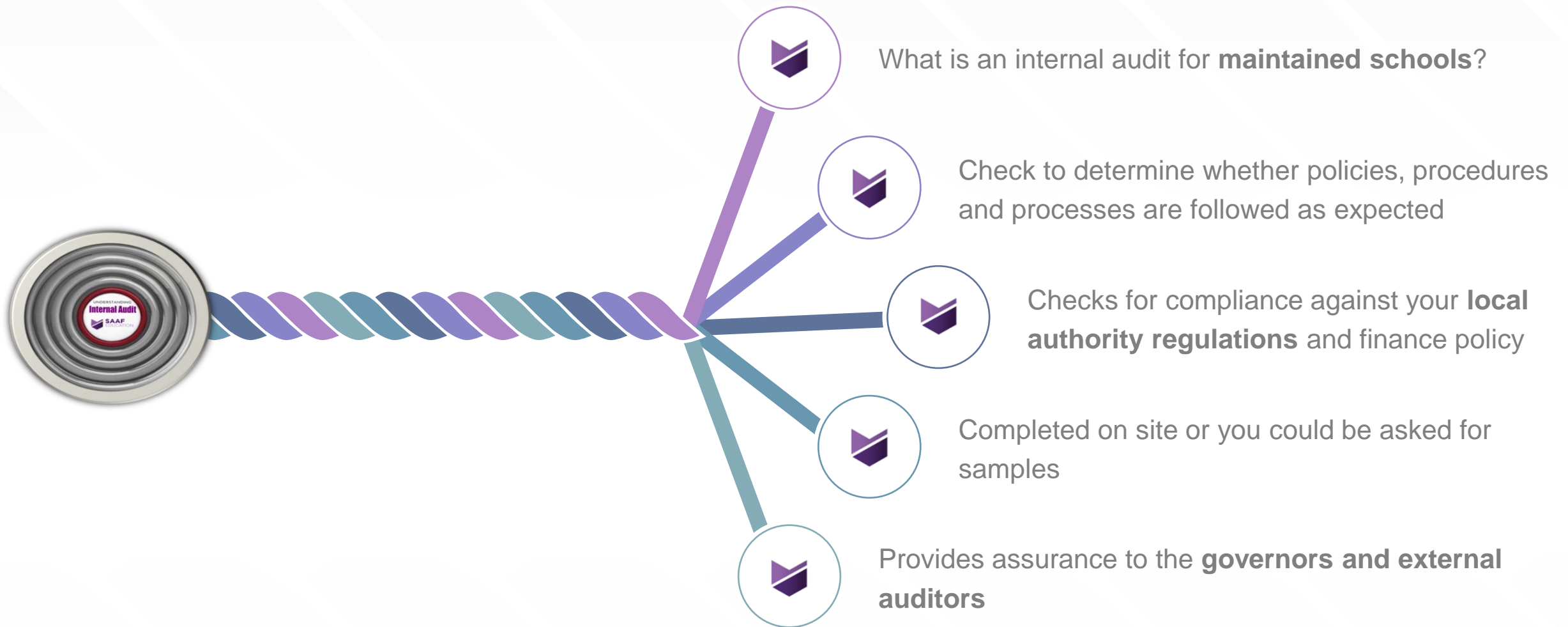


“Everybody is a genius. But if you judge a fish by its ability to climb a tree, it will live its whole life believing that it is stupid”

Albert Einstein









39% Trusts with 5
or more
management
points

15% with
high risk points
(1 in 7)

56% Trusts
entered into
connected party
transactions

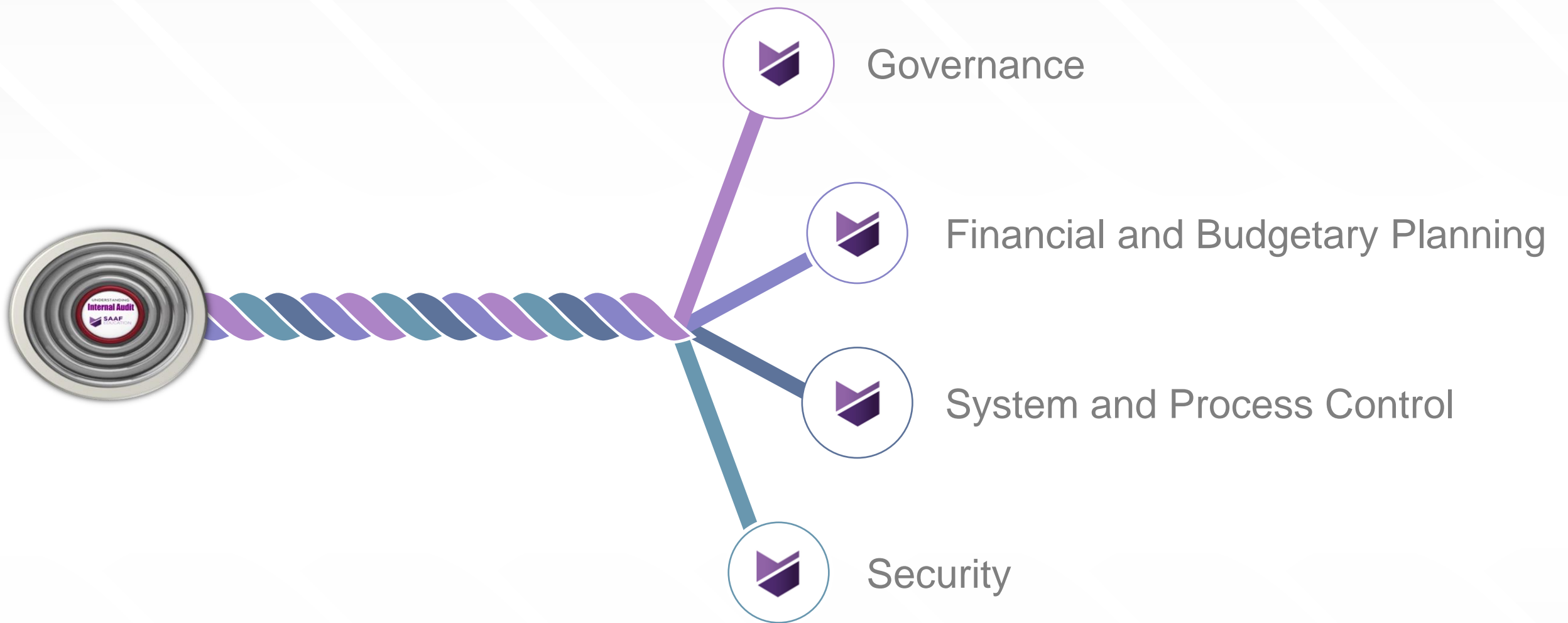




Increased scrutiny and compliance measures introduced by ESFA and some Local Authorities

Most Local Authorities do not publish their internal audit statistics

703 data breaches at UK schools and academies were reported in 2016-17



- ✧ Ensure the budget for the current financial year has been ratified by the governing body and that it has been minuted
- ✧ Have budget adjustments been approved?
- ✧ Review of management accounts or budget reforecasts
- ✧ Record pecuniary interests annually or as new governors start
- ✧ Ensure clerking of minutes is accurate and approved
- ✧ Frequency of meetings and sub-committees is at least termly
- ✧ Is your pay policy adhered to?
- ✧ Are governors notified of any assets that have been purchased and disposed of in line with your finance policy?
- ✧ Do you ensure your finance policy is reviewed or updated annually?
- ✧ Do you adhere to all Processes and procedures set out in your finance policy?
- ✧ Do you know your limits for approval of quotes and tenders?

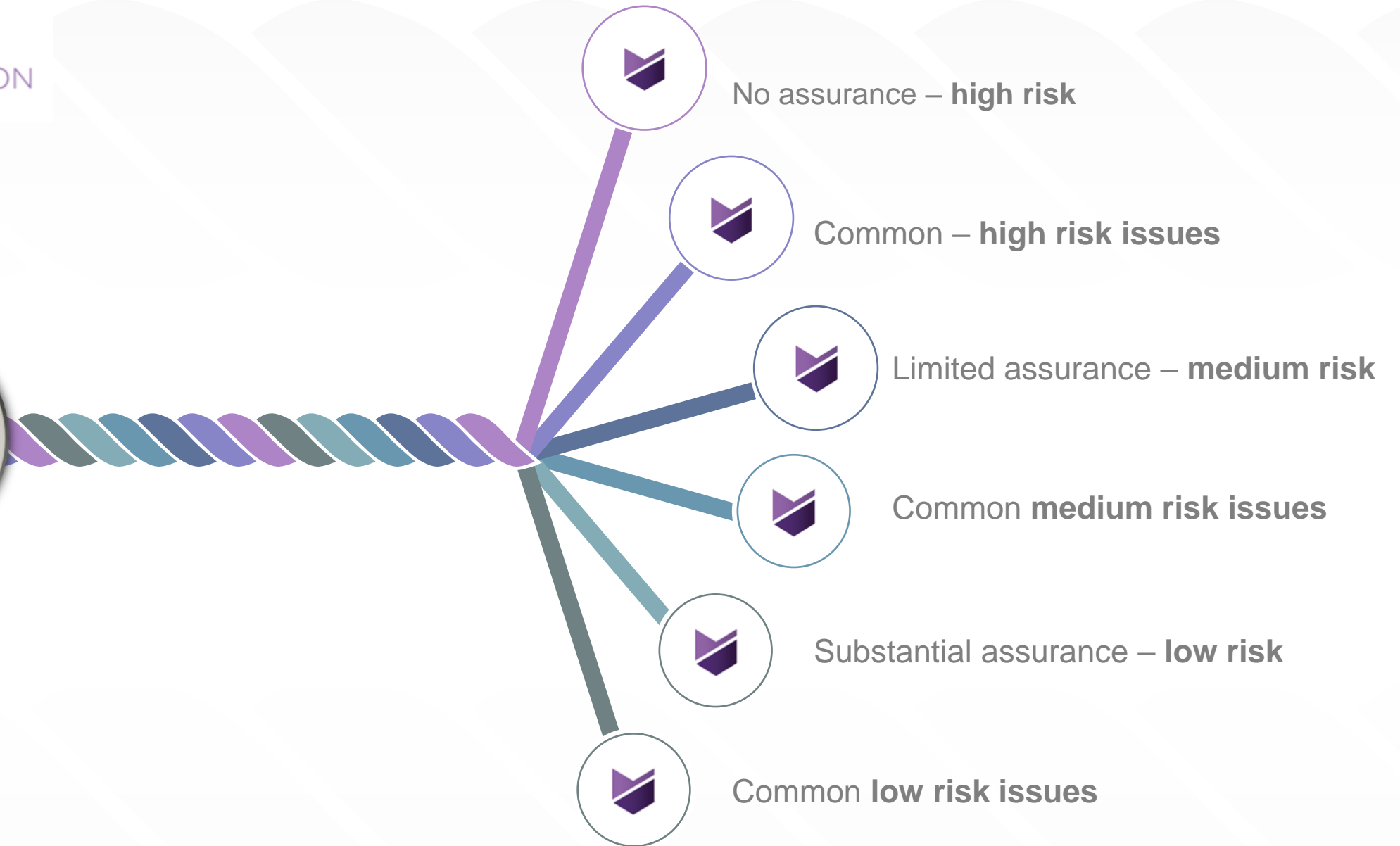


- ✎ Are budget monitoring reports presented to governors?
- ✎ Are governors aware of SIP (school improvement plan) and how it is linked to the budget?
- ✎ Is there a deficit and what are the plans to clear this?
- ✎ Has the ESFA or LA set in place monitoring and agreed a deficit recovery plan?
- ✎ Limits in finance policy for staff and Head teacher expenditure must be agreed by governors



- ✦ Ensure only valid signatories allow payments within their limits in finance policy
- ✦ If staffing capacity allows set up segregation of duties
- ✦ Are your monthly bank reconciliations completed and authorised?
- ✦ Fixed asset register updated periodically (if you have one for maintained school)
- ✦ Are your cash and cheques stored securely?
- ✦ Is all income recorded accurately on your finance system?
- ✦ Carry out monthly payroll monitoring and authorisation
- ✦ Staff personnel files accurate and up to date
- ✦ Authorisation of orders/invoices/payments/Debit Cards/Staff Expenses
- ✦ School Fund (if held) audited annually and certificate presented to governing body
- ✦ Monthly control accounts reconciliation completed and authorised Or
- ✦ Monthly reconciliation completed in line with LA requirements





- ❖ Banking of income in a timely manner
- ❖ How secure is cash held on site?
- ❖ Official orders must be raised for procurement of goods and services
- ❖ Goods security marked and logged
- ❖ Authorisation of delivery notes
- ❖ Loan of equipment to staff or pupils

No assurance – High risk
**Or are not applied effectively,
resulting in weaknesses which
would fundamentally prevent the
achievement of the objectives for
this area and the mitigation of
key associated risks**

No assurance – High risk
**Finance processes, procedures and
controls examined are not suitably
designed**





1

Large value item with no purchase order and no appropriate approval

2

Purchases not appropriate to the school/academy e.g. alcohol

3

Finance policy reviewed but not minuted as ratified at governing body meeting

4

Quotes and tender records are inadequate






5 Blank cheques are pre-signed

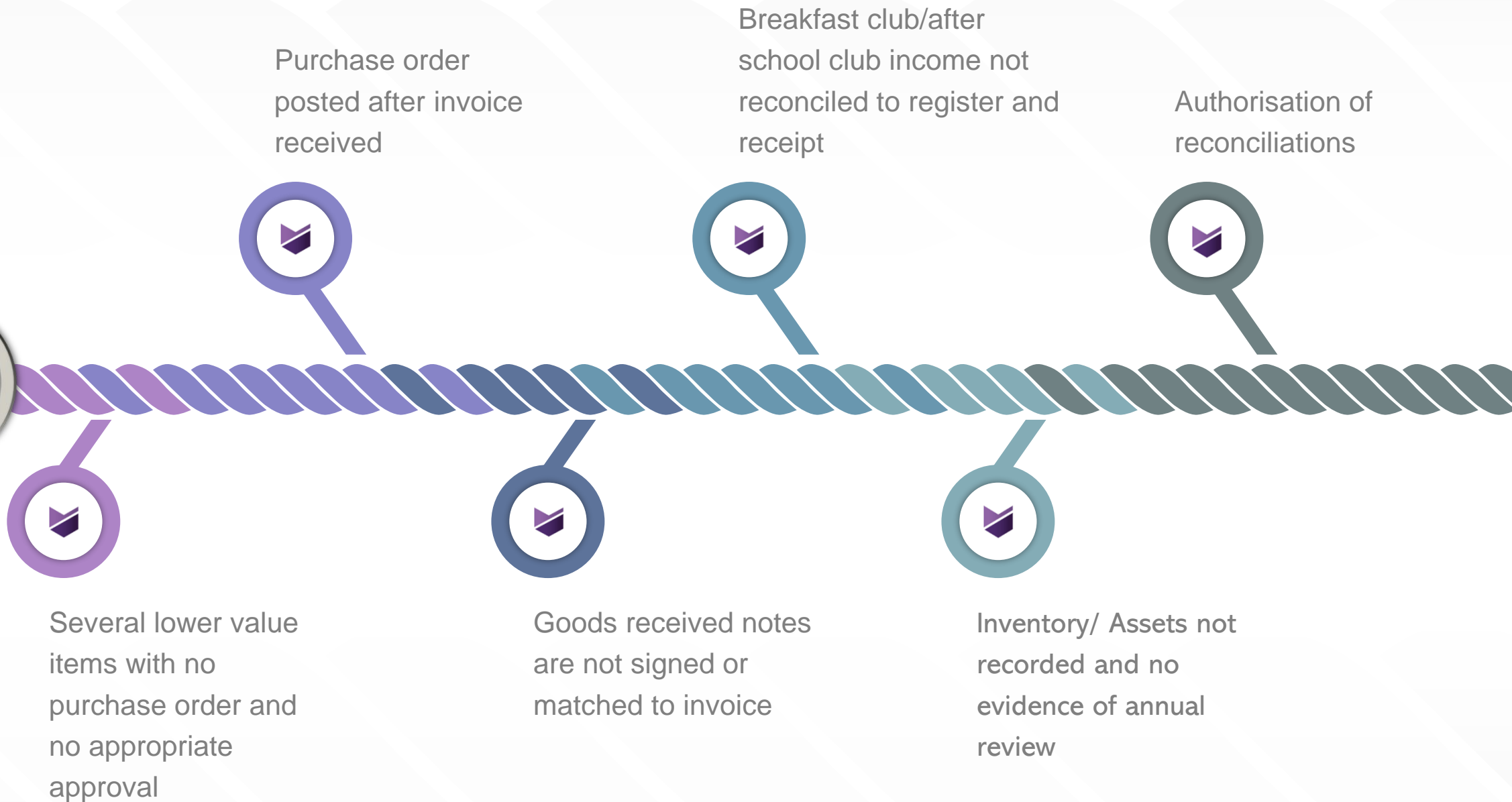
6 Related party transactions/ pecuniary interests not up to date

7 Management Accounts (for academies) not presented to trustees monthly in line with ESFA handbook

8 Additional payments for staff not authorised appropriately

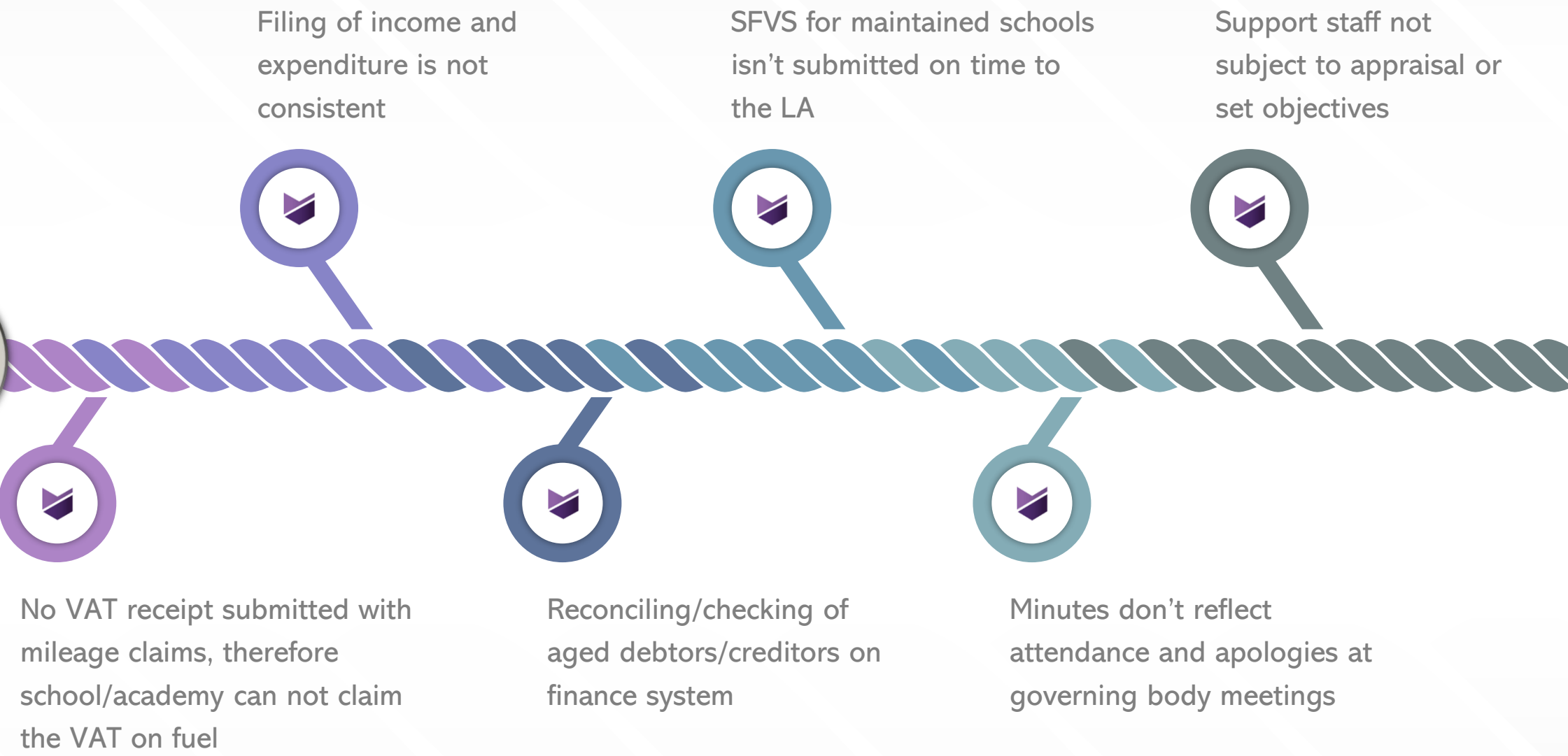
- 
- ❖ The financial processes, procedures and controls examined are suitably designed and are operating effectively
 - ❖ Apart from several exceptions, which could have a significant impact on the achievement of the objectives for this area and the mitigation of associated risks

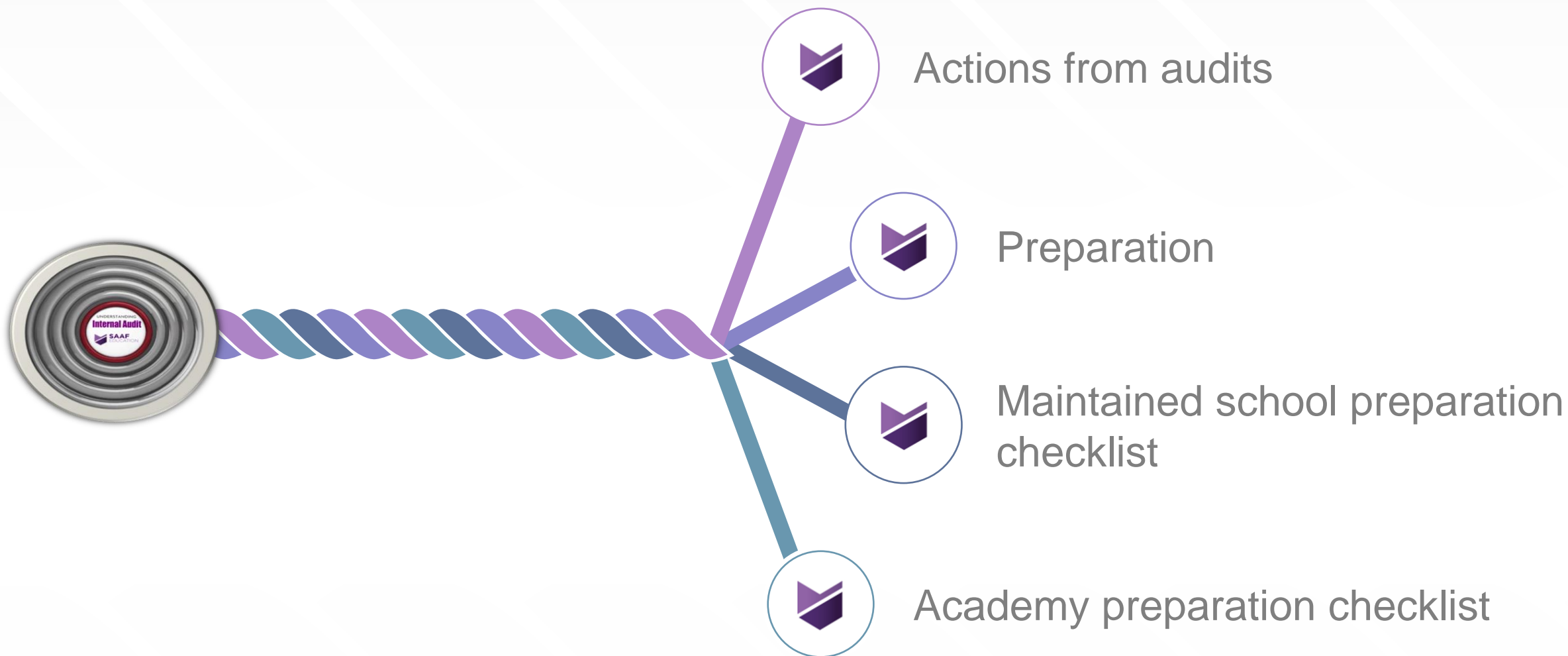





- ✦ The financial processes, procedures and controls examined are suitably designed and are operating effectively
- ✦ Apart from several exceptions, which could have a significant impact on the achievement of the objectives for this area and the mitigation of associated risks









- ✦ Audit will send a report identifying any findings

- ✦ These could be RAG (Red, Amber, Green) rated, numbered or identified as low, medium or high risk

- ✦ If an audit is not due within the financial year your governors or trustees may commission an additional audit visit to ensure processes have been updated

- ✦ DO NOT ignore the findings

- ✦ Some findings will require responses to advise how policies/procedures will be updated

- ✦ Timelines will be agreed for some actions

- ✦ Recommendations may be made that do not require immediate action

- ✦ You can commission an internal audit at any time

- ❖ Some Auditors confirm areas to be tested before visit
- ❖ Keep all governor meeting minutes together
- ❖ Keep quotes and tender documents together
- ❖ Decide on filing system for invoices/orders/payments and be consistent
- ❖ Ensure all financial records are authorised appropriately and filed

**One falsehood
spoils a thousand
truths.**

~African Proverb (Ashanti, Ghana)



- ✧ Minutes of governing body meetings for last 12 months
- ✧ Minutes for Sub-committees for the last 12 months
- ✧ Report from finance software- Budget plan & cost centre detail
- ✧ Bank history report for last 6 months
- ✧ Latest budget forecast
- ✧ Benchmarking data
- ✧ CFR return
- ✧ Latest improvement/development plan
- ✧ Budget plan entry form
- ✧ Latest headteacher report to governors
- ✧ Remit for committees



- ❖ Pecuniary interest forms
- ❖ Budget adjustments
- ❖ Latest cash flow statement
- ❖ Quotations/tenders, orders, delivery notes and invoices
- ❖ Latest monthly bank reconciliation
- ❖ Staffing structure and HR files
- ❖ The current SFVS
- ❖ Payroll returns- overtime authorisation, absence returns, supply teacher timesheets etc
- ❖ School fund records- ledger, invoices, receipts, income sheets, bank statements
- ❖ Petty cash records
- ❖ The current school inventory



- ✧ Minutes of governing body meetings for the audit period
- ✧ Minutes for Sub-committees for the audit period
- ✧ Remit for committees
- ✧ Report from finance software- Budget plan & cost centre detail
- ✧ Latest budget forecast
- ✧ Budget adjustments
- ✧ Budget monitoring reports
- ✧ Latest cash flow statement
- ✧ Quotations/tenders, orders, delivery notes and invoices
- ✧ Latest headteacher report to governors
- ✧ Pecuniary interest forms



- ✦ Latest monthly bank reconciliation
- ✦ Staffing structure and HR files
- ✦ Payroll returns- overtime authorisation, absence returns, supply teacher timesheets etc
- ✦ School fund records- ledger, invoices, receipts, income sheets, bank statements
- ✦ Control account reconciliations
- ✦ Charge card transactions
- ✦ Income
- ✦ Capital contracts
- ✦ Petty cash records
- ✦ Current fixed asset register







Additional Information:-

SAAF Services – Please contact us on 0115 9752400
or info@saafeducation.org

Any questions