

# Audit Bulletin for Schools

Issue 15

Summer Term 2016

**Welcome** to the Issue 15 of our Audit Bulletin. As usual it is provided by the Audit and Risk Service to keep schools up to date with current audit, financial and related issues as they arise.

If at any time you require clarification on any financial procedures, or further information on items included in these bulletins, please do not hesitate to contact us on the telephone numbers provided at the end of the bulletin. Any comments on the bulletin would also be gratefully received.

**Please remember to share this bulletin, with all governors and staff, dealing with school finance and administration.**

## Schools Financial Value Standard (SFVS)

Firstly, thank you to all governors and staff involved in completion of the 2015/16 SFVS Self Assessments. All assessments have now been received and reviewed. Internal Audit provides school specific feedback and general feedback for circulation to the Governing Body. Please ensure governors and relevant staff are receiving the following:

- School specific feedback: all schools should have now received this; it has been provided by email to the person who submitted the self-assessment (normally the SBM or Headteacher) with a request that it be circulated to the Governing Body. This feedback will either confirm that the review has highlighted no specific issues, or it may request clarification and / or missing information, as well as providing guidance to aid future assessments. If not received please firstly check your email 'Clutter' and then let us know; we can re-send if necessary.
- General feedback: this is circulated via the Internal Audit Bulletin for Schools, early autumn, and should be provided to the Governing Body even if the school specific feedback has raised no issues. General feedback includes generic issues that may not have been fed back individually, as well as sharing how schools have improved the use of resources to help achieve value for money; SFVS Q19. All feedback should be used to aid future self-assessments.

### Autumn Term Training

Annually, early autumn, Internal Audit provides SFVS training sessions for new Headteachers, SBMs and Finance governors / GB Chairs. Existing governors and staff are also welcome to attend if they feel they would benefit from a refresher. Further information about these sessions and how to book will be made available via SLA Online and the Extranet later in the summer term.

## 2015/16 and 2016/17 Audit Activity

Our Internal Audit programme of work continues to include annual themed based audits, across a sample of schools, to assess whether significant risks in relation to the systems being reviewed are adequately and effectively controlled, and to assess the consistency of arrangements in place.

So that all schools can benefit from the work undertaken, generic findings from each themed area are shared via these Bulletins. The information should be circulated to the Governing Body, Headteacher and relevant staff, who should use it to check, compare, and improve where necessary, the systems and procedures in operation at their own schools.

Governors should use the outcomes of these audits (either the report issued by Internal Audit if applicable, or the schools own self-check) when evaluating SFVS Q20 'Is the GB sure that there are no outstanding matters from audit reports or from previous consideration of weakness by the GB'

**2015/16 themed audit work:** this covered the LA School P Card Service and concentrated on LA controls including rollout of the Service. Findings and recommendations arising from this audit work are currently being reported to Wellbeing, Care and Learning.

**2016/17 themed audit work:** this will concentrate on the school use of P Cards and will review opportunities for improved efficiency.

## Other Financial and Admin Updates

### Unauthorised bank accounts!

During our school fund audit work last year, 2 schools were found to be operating unauthorised bank accounts. The accounts only required one authorised signatory, and the associated income and expenditure was not properly recorded and accounted for.

Please be reminded that all bank accounts, and associated income and expenditure, should be operated and accounted for in accordance with the Schools Financial Handbook and Guide, including the following:

- All income and expenditure should be recorded and accounted for either via the school budget, which includes an Imprest account, or a Voluntary (School) Fund Account approved by GB.
- The Imprest and Voluntary Fund Accounts should have a minimum of 3 authorising signatories, with two required to sign.
- In addition to the above, schools may operate a PTA or Friends of school account, however, if a member of staff is involved in the operation of this account, it should be operated in accordance with the Schools Financial Handbook and Guide (SFH&G), Section T.
- All Voluntary accounts, including PTA / Friends accounts if operated by school staff, should be subject to independent audit. It is good practice for all unofficial funds, even those not operated by school staff to be subject to audit.
- See the SFH&G, Section T for full guidance regarding the operation of Voluntary Fund Accounts.

**Don' forget, Internal Audit provides Voluntary / School Fund audit services.** The service ensures a low cost, appropriate and independent audit as currently provided to over 30 schools.

Full details of all our consultancy services can be found on SLA Online, the Extranet, Audit and Risk Section, or via the contacts at the end of this bulletin.

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