

Report

Audit Committee



Part 1

Date: October 2019

Item no: 4

Subject **Call in of Headteacher & Chair of Governors of Caerleon Comprehensive School following Unfavourable Internal Audit Opinion.**

Purpose To allow Members of the Audit Committee to discuss, with the Headteacher and Chair of Governors their concerns raised in the Internal Audit review of:

- Caerleon Comprehensive School

and to gain assurances that action will be taken to improve the internal controls in operation and agree how to follow up implementation of actions

Author Chief Internal Auditor

Ward General

Summary Following the presentation of the Internal Audit's six monthly update on unfavourable audit opinions in June 2019, Members of the Audit Committee agreed to escalate their concerns and call the Headteacher and Chair of Governors of Caerleon Comprehensive School in to provide reasons why the controls were poor and provide assurances that action will be taken to make the necessary improvements. This was in relation to an **Unsatisfactory** audit opinion in relation to:

- Caerleon Comprehensive School

Proposal

- 1) To review and assess proposed actions and come to a view if they are robust and deliverable and will address the issues identified satisfactorily within reasonable timescales.
- 2) To ensure the Headteacher takes responsibility for implementing the proposed actions.
- 3) Agree that Internal Audit will carry out further follow up work in this area by the end of 2019/20 and report the resulting outcome back to Audit Committee.
- 4) The Audit Committee is asked to note the assurances given by the Headteacher that improvements will be made to the service provided by the implementation of the agreed management actions so that the further Internal Audit follow up review will result in a more positive audit opinion.

- 5) At the October Audit Committee, Audit Committee Members asked for a response to the issues raised by Internal Audit from the Headteacher – these are included at Appendix C.

Action by Audit Committee
Timetable Immediate

Background.

1. An internal audit review is undertaken to provide assurances (or otherwise) that appropriate internal controls, governance arrangements and risk management processes are in place to safeguard the Council's assets, to ensure the proper use of public money and that it has been used effectively, efficiently and economically, that fraud, error and misappropriation has been minimised and overall risks have been reduced.
2. Following the presentation of Internal Audit's six monthly update on unfavourable audit opinions in June 2019, Members of the Audit Committee were concerned that a significant number of issues were identified in the original draft Internal Audit report of Caerleon Comprehensive School. They were concerned that the School was operating with a large budget deficit which was projected to reach in excess of £1.6 million within the next 18 months. No recovery plan was in place to reduce the deficit amount and the School had exceeded the licenced deficit amount without obtaining further approval from the LEA. The School was in breach of the June 2014 Intervention Plan and unable to repay the £500k loan agreement with the LEA.
3. The Internal Audit of this school identified 1 Critical weakness, 25 significant weaknesses and 18 Moderate weaknesses.
4. It is important to note that the Internal Audit opinion is based on a balance of strengths and weaknesses identified within the internal control environment; an **Unsatisfactory** opinion is given where the critical / significant weaknesses identified outweigh the strengths identified. Both strengths and weaknesses are based on the evidence, or lack of, seen by the Internal Audit team, or expected to be in place but wasn't, during the audit. This report is still in draft (@ 4/10/2019) as the Headteacher has continually disagreed with the many elements of the content and management actions of this report.
5. The timeline for the Internal Audit review was as follows:

	<u>Date of audit visit to the school</u>	<u>Draft Report Issue Date</u>	<u>Final Report Issue Date</u>	<u>Audit Opinion</u>
Original Report	5 th & 6 th December 2018	15 th March 2019	Not Applicable as at 4 th October 2019	Unsatisfactory

6. Initial responses and management actions were provided by the School on 29th March 2019. Between the end of March and September 2019 a number of meetings and correspondence have taken place between the School and Internal Audit. In the main, this was to give the School the opportunity to provide additional evidence in place at the time of the audit to help support a strength in control. Although some was forthcoming, it did not change the overall Unsatisfactory Audit opinion.
7. The issues identified during the course of the audits highlighted a continued lack of internal control and exposed the Council to an unacceptable level of risk. The table of critical, significant and moderate weaknesses identified during the review is shown at Appendix B. The critical risk related to the school's budget deficit position, the fact that it had not improved and the probability that it was likely to increase significantly.
8. The weaknesses shown at Appendix B are those which Internal Audit can support by evidence, or lack of evidence which should have been in place, as at 30th September 2019.

9. A follow up audit will need to be undertaken within 6 months of the issue of the final report, with the subsequent audit opinion being reported back to Audit Committee in due course.
10. One of the key objectives of an audit report is to outline compliance against expected controls within a system, an establishment or the duration of a project or contract. Generally, the audit report should give management assurance that there are adequate controls in place to enable the system to run effectively, efficiently and economically. If adequate controls are not in place then there is greater exposure to the risk of fraud, theft, corruption or even waste.
11. NCC Internal Audit reports outline strengths of the system under review along with any weaknesses in internal control. The reports are discussed with operational management where the issues identified are agreed. The operational manager will then add his / her action plans to the report which will address the agreed issue and mitigate any further risk.
12. Heads of Service and service managers are responsible for addressing any weaknesses identified in internal systems and have agreed to do this by incorporating their comments within the audit reports and taking on board the agreed management actions.
13. Internal Audit are continuing to raise the awareness of financial regulations and contract standing orders within the Council by delivering seminars to all service areas; during recent years this training has been further targeted towards areas that have had unsatisfactory audit opinions.
14. Where managers are compliant with Council policies and procedures and sound financial management can be demonstrated then audit reviews should result in an improved audit opinion being given. If, as a result, improvements are made to internal controls then greater assurance can be given by Internal Audit to the Audit Committee, the Leader and the Chief Executive on the overall effectiveness of all the Council's internal controls.
15. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens

Financial Summary

16. There are no financial issues related to this report.

Risks

17. If the issues identified in the audit reports are not addressed then weaknesses in the control environment will continue which could expose the Council to a potential risk of non-compliance, fraud, error or misappropriation.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Issues not addressed by implementation of agreed management actions	M	H	School Management need to agree what action they intend taking in order to address the identified weaknesses; this then needs to be implemented.	Headteacher / Chair of Governors

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

18. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens, hence Improving People's Lives.

Options Available

19. This is a factual progress report and therefore there are no specific options to be considered. Internal Audit team assess the adequacy of the Council's internal control environment to ensure the public pound is spent wisely and appropriately and that fraud, theft and corruption is minimised.
20. The Audit Committee is asked to note the assurances given by the Chief Education Officer that improvements will be made to the service provided by the implementation of the agreed management actions so that the further Internal Audit follow up review will result in a more positive audit opinion.

Comments of Chief Financial Officer

21. This report is compiled on behalf of the Head of Finance. It is important that the Audit Committee review proposed actions thoroughly and come to a conclusion on whether improvements will be realised, within a reasonable timescale. It will be essential that Internal Audit carry out the follow up audit sometime in 2019/20 in this area and ensure controls have improved to satisfactory levels and this will provide the Committee's future assurance in this area.

Comments of Monitoring Officer / Head of Law & Regulation

22. The Report has been prepared in accordance with the Council's internal audit procedures and Performance Management framework. It will be important to review the adequacy of the proposed management actions to address the identified risks within acceptable timescales. In particular, critical risk areas will need to be addressed as a matter of priority.

Comments of Head of People and Business Change

23. The report highlights areas for concern within the operational management of the school. The Committee is being asked to consider whether the actions outlined and progress to date are satisfactory. Internal Audit provides a critical function within the Council to provide assurance on financial systems and monitoring and to highlight weaknesses so that issues can be identified and addressed.

The Chief Internal Auditor has considered the sustainable development principle as required by the Wellbeing of Future Generations Act (2015).

Comments of Cabinet Member

24. Not applicable

Local issues

25. N/A

Scrutiny Committees

26. N/A

Equalities Impact Assessment and the Equalities Act 2010

27. The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

28. As this is not a decision making report there is no need for an Equalities Impact Assessment. All audits are undertaken in a non-discriminatory manner.

Children and Families (Wales) Measure

29. N/A

Wellbeing of Future Generations (Wales) Act 2015

30. In compiling this report the principles of this Act have been considered:
- Long term: The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan

- Prevention: Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.
- Integration: Internal Audit opinions provide an objective opinion on the adequacy of the internal control environment in operation and support sound stewardship of public money.
- Collaboration: Internal Audit work with operational managers to develop an appropriate action plan in order to address identified concerns.
- Involvement: Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources.

Crime and Disorder Act 1998

31. The work undertaken by Internal Audit should minimise potential fraud, corruption, theft or misappropriation within the Council. Allegations of potential criminal activity will be investigated and reported to the police where appropriate.

Consultation

32. N/A

Background Papers

33. N/A

Dated:

INTERNAL AUDIT SERVICES – RISK RATINGS / AUDIT OPINIONS

- The following ratings have been applied to the individual weaknesses identified during the follow up audit

RATING	DESCRIPTION
CRITICAL	Major risk to the system.
SIGNIFICANT	Unacceptable risk.
MODERATE	Risk partially mitigated but should still be addressed.

- The Audit Opinion has been colour coded based on a traffic light system and the report only contains key issues which need to be addressed.

	GOOD	Well controlled with no critical risks identified which require addressing; substantial level of assurance.	Green
	REASONABLE	Adequately controlled although risks identified which may compromise the overall control environment; improvements required; reasonable level of assurance.	Yellow
	UNSATISFACTORY	Not well controlled; unacceptable level of risk; changes required urgently; poor level of assurance.	Amber
	UNSOUND	Poorly controlled; major risks exists; fundamental improvements required with immediate effect.	Red

SUMMARY OF WEAKNESSES

The tables below summarise the individual weaknesses identified during the review.

Ref.	CRITICAL
6.01	The School was operating with a large budget deficit which is projected to reach in excess of £1.6 million within the next 18 months. No recovery plan was in place to reduce the deficit amount and the School had exceeded the licenced deficit amount without obtaining further approval from the LEA. The School was in breach of the June 2014 Intervention Plan and unable to repay the £500k loan agreement with the LEA.

Ref.	SIGNIFICANT
1.05	Receipting of budget income was not always completed promptly. Formal receipts issued did not always reflect the actual date of income received.
1.06	The income processes at the School lacked a segregation of duties. Paye.net banking reports and paying-in counterfoils had not been independently certified by the Headteacher / a designated senior officer.
1.07	There was no evidence to confirm that the School's Lettings Policy and Fees & Charges had been reviewed and agreed by the Governing Body on an annual basis. Charges for the lettings were not consistent and were collected in arrears.
2.09	The procurement quotation process for appointing a Catering Contract Management company did not present all available options to Governors. The Contract Manager was costing the School in excess of £22k over a 3 year period, despite running a deficit budget.
2.10	The School had not acquired quotes in accordance with Contract Standing Orders for Schools and there was no evidence available to support that the School had always conducted market-testing to demonstrate value for money when purchasing goods and services.
3.04	A staffing structure detailing names and job titles was not available at the time of the audit. The Teaching and Learning Responsibility (TLR) posts at the School had not been reviewed since 2015.
3.05	DBS checks were not always completed prior to members of staff commencing work at the School. In the absence of a DBS check, a DBS Risk Assessment was not always completed prior to the employees start date with the DBS application form being submitted to the DBS.
3.06	Staff were permitted to take 3 days paid leave of absence if their child was unwell. This was not recorded onto the HR & Payroll system. There was no documented policy at the School and evidence of Governing Body approval for these arrangements was not provided.
3.07	High levels of Time off in Lieu (TOIL) were being accrued by members of staff with no evidence of authorisation for the additional hours being worked. The School did not have a TOIL policy and when requesting days off using accrued TOIL, full information was not provided to the Deputy Headteacher. TOIL earned was sometimes paid as additional hours.
3.08	A number of Sickness Absence and Return to Work Discussion forms could either not be located or were not completed in full.
3.09	The review of driving at work documentation was not sufficient, had not been conducted on an annual basis for all staff and those who drove fleet vehicles / transported young people did not have their licence reviewed every 6 months.

Ref.	SIGNIFICANT
4.05	The School Private Fund management committee was not documented as meeting on a regular / termly basis to review the activities of the fund. The Fund Constitution document could not be located at the time of the audit.
4.06	Supporting documentation to identify the date and source of school private fund income being initially received was not present to support the School trip income. Teaching staff were collecting and holding significant sums of money which was in excess of the Schools Insurance arrangements.
4.07	Expenditure in relation to 'tips' on School trips were not always detailed and accompanied by supporting documentation.
4.08	The School was operating the School Private Fund across more than the permitted number of bank accounts and monthly reconciliations only accounted for 1 of the 3 SPF bank accounts held. There was no mandate held for the two additional bank accounts operated. The treasurer had online bank account access and the ability to move funds without any prior authorisation or oversight.
4.09	The SPF accounts for 2017/18 had not been independently audited. Previous account audits had not included the full fund (i.e. 3 bank accounts) and were completed by an employee of the School.
5.05	The School's inventory record was incomplete at the time of the review and did not detail all required information. It was not possible to complete an inventory check of the School's assets.
5.06	The School did not have an adequate safe and had not reviewed the access controls for a considerable period of time.
5.07	The records in support of the School's minibus were not fully completed and the statutory daily defects check sheets were not being completed.
6.02	There was no evidence to confirm that the School's budget for 2018/19 had been formally approved by the Governing Body.
6.03	No visit had been made by Schools Finance to the School for budget monitoring purposes for 5 months, despite the projected deficit. Previous visits were not made in accordance with the School's Intervention Plan (June 2014).
6.04	No budget monitoring / reconciliation documentation could be provided by the School for the period prior to the new School Business Manager commencing employment. (July 2018)
6.05	The School budget (deficit) was not a standing agenda item at the Full Governing Body meeting's The finances of the School were not regularly and sufficiently discussed by either the Full Governing Body or the Finance Sub-Committee as per the recorded minutes.
7.03	Minutes of Governing Body meetings were not readily available at the School (signed or otherwise)
7.04	Register of Business Interest forms for members of the Governing Body could not be located and had not been completed for staff employed at the School.
7.05	A number of Statutory School policies appeared out of date on the audit visit. Governing Body approval for these policies was not provided to Internal Audit.

Ref.	MODERATE
1.08	Invoices were being raised by the School in excess of £200 without going through the Corporate Debtors system.
1.09	The control record used to monitor outstanding debts was not complete. A number of invoices had been paid via the NCC Debtors system but the School records indicated the amounts were still outstanding.
1.10	The rental income for the caretaker's house had not been reviewed on an annual basis in line with the tenancy agreement.

Ref.	MODERATE
1.11	The School did not have an agreed entitlement policy for the provision of free meals to staff. Hospitality requests observed at the School were signed off by a member of staff who was absent at the time of the request's authorisation.
2.11	Purchase orders were not always raised in advance of the order being placed and the invoice being received.
2.12	Although outstanding order reports were run and reviewed by the Finance Officer on a monthly basis these were not fully annotated with the reasons for the invoices being outstanding nor reviewed by the School Business Manager. The School had 2 outstanding purchases relating to 2017.
3.10	Regular overtime was being paid to the Caretakers at the School. Income received from weekend lettings did not cover the overtime costs paid to staff. Overtime claim forms were not completed in full.
3.11	Midday supervisor allowances were paid to senior members of staff costing the School approx. £40k during the previous 12 months. As well as the allowances, these staff were also provided with a free meal. The Deputy Headteacher had approved the extension to his own midday supervisor contract.
3.12	The actual duties of the Site & IT Services Manager were not in line with the Job Description and grade.
3.13	Line rental was paid to the Site & IT Services Manager for their personal mobile phone rather than using an agreed corporate contract.
4.10	The Headteacher was not a signatory on the School Private Fund Account.
4.11	The spreadsheet used to manage the School Private Fund transactions did not detail all income received.
4.12	Statements of Account for School trips were not completed promptly and were not reported to the management committee.
5.08	The School did not have an agreed policy for the disposal of assets. There were no records maintained for assets disposed of prior to the Audit.
5.09	Portable IT and electrical equipment had not been security marked as belonging to the School / NCC.
5.10	The School did not have a complete key holder list identifying those with access to the School buildings. Keys held on the premises were not adequately concealed.
5.11	The process for visitors signing in and out at the School was inefficient.
6.06	The virement limit for the Headteacher was approved by the Finance Sub-Committee. There was no approved spend limit.

CAERLEON COMPREHENSIVE SCHOOL RESPONSE TO AUDIT REPORT

- Wednesday 5th and Thursday 6th December 2018: audit visit
- Friday 15th March 2019: first draft report received
- Thursday 26 September 2019: invitation to meet with audit committee on 17/10/2019
- Friday 11th October 2019: final report received
- Monday 14th October 2019: Chair of Governors emailed [REDACTED] (Governance Officer) to inform that she had been called to work on Thursday 17th October 2019. No strategy was offered to secure governor representation between 14/10 and 17/10/2019, eg. alternative governor representation.
- Wednesday 16th October: Chair sent a further email to confirm she could not attend. The Chair rang [REDACTED] Governance Officer and emailed [REDACTED] Audit Manager in order to discuss. The Chair rang [REDACTED] Chief Internal Auditor on 17th October and was informed he was at lunch but would return her call. This return call was not made.
- Thursday October 17th 2019: Headteacher attends audit committee but is informed that she will not be required as the Chair of Governors is not in attendance.
- Thursday 24th October (morning): Headteacher speaks to [REDACTED] Principal Auditor and informs him that she is not available for any meetings on 21st and 22nd November and requests that the audit team are made aware so that there is no invitation for a date on which the Headteacher is not available. The Headteacher is clear that an alternative date would be appreciated.
- Thursday 24th October (afternoon): invitation to attend the audit committee on 21st November is received by the Headteacher.
- Thursday 24th October (afternoon): email to the Headteacher from [REDACTED] Principal Auditor stating that the Chair and Headteacher are expected to attend on the 21st November stating, *"If there are any issues please let us know as soon as possible"*. Headteacher emails [REDACTED] Principal Auditor to remind him of their earlier conversation.
- Monday 4th November 2019 (7.35am) this document was sent to the LA to share the points below all of which have been shared with the audit team.

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
6.01	<p>The School was operating with a large budget deficit which is projected to reach in excess of £1.6 million within the next 18 months.</p> <p>No recovery plan was in place to reduce the deficit amount and the</p>	<p>There is a plan in place to limit the deficit as far as possible given the significant budget cuts in 2017-2019 (in excess of 555k). The school has the 7th lowest AWPU in Wales and the lowest in NCC.</p> <p>The school had reached an agreement with the LA to defer loan repayment.</p> <p>An updated Recovery Plan has been submitted to the Chief Education Officer. This has also been provided to Governors.</p>	<p>At the time of audit visit, the school was not projecting a £1.6m deficit within 18 months. The school does not know why that figure has been noted by audit as it is not one provided by the school. This figure had not been reported to governors nor to the LA.</p> <p>A recovery plan was in place at the time of the visit. However, full recovery is not possible due to budget cuts and increased costs. It is worth noting that the in-year deficit (£487k) at the school is lower than the budget cut suffered by the school in the period 2017-</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	<p>School had exceeded the licenced deficit amount without obtaining further approval from the LEA.</p> <p>The School was in breach of the June 2014 Intervention Plan and unable to repay the £500k loan agreement with the LEA.</p>	<p>The School will work alongside the LA and finance colleagues. Regular meetings are currently taking place.</p> <p>The GB have discussed and had a copy of the plan.</p> <p>Further Audit Comment: Evidence of this discussion could not be found in the minutes.</p> <p>Non-repayment was agreed with the LA.</p> <p>Further Audit Comment: Documentary evidence of this being agreed was not provided.</p>	<p>2019 (£555k). The school has the 7th lowest per pupil funding in Wales (most recent 2018 nationally collated figures) and the lowest per pupil funding of all NCC secondary schools.</p> <p>The school exceeded its licensed deficit due to unforeseen increased costs of £152,000 in relation to rising staff costs. These costs were due to the increased costs of employing the existing staff.</p> <p>The LA agreed that the school will not repay the loan whilst in deficit. This has been part of the school's deficit plans that were agreed by the LA. The first 2 instalments of the loan were paid in 2016 and 2017.</p>
1.05	<p>Receipting of budget income was not always completed promptly. Formal receipts issued did not always reflect the actual date of income received.</p>	<p>The School Business Manager will ensure all income is receipted promptly on Paye.net and recorded onto the remittance register.</p>	<p>Addressed. The School Business Manager ensures all income is receipted promptly on Paye.net and recorded onto the remittance register.</p>
1.06	<p>The income processes at the school lacked a segregation of duties. Paye.net banking reports and paying-in counterfoils had not been independently certified by the Headteacher / a designated senior officer.</p>	<p>A clear division of duties has been established. The school now has two part-time Finance Support Officers in post. SSO 1 will receive, register and receipt income, SSO 2 will prepare and bank income with the School Business Manager independently verifying paye.net banking reports to bank paying-in counterfoils. An overview will be completed by the School</p>	<p>Addressed. A clear division of duties has been established. The school now has two part-time Finance Support Officers in post. SSO 1 receives, registers and receipts income, SSO 2 prepares and banks income with the School Business Manager independently verifying paye.net banking reports to bank paying-in counterfoils. An overview is completed by the School Business Manager.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		Business Manager.	
1.07	<p>There was no evidence to confirm that the School's Lettings Policy and Fees & Charges had been reviewed and agreed by the Governing Body on an annual basis. Charges for the lettings were not consistent and were collected in arrears.</p>	<p>The School Business Manager will review lettings with the Site Manager and establish a school lettings policy that meets the needs of both the school and the community. This will ensure a fair charge meets both needs. This policy will be approved by the Governing Body on 20/06/19.</p> <p>Block bookings have a discounted rate. Small groups who have to use large spaces where no smaller space is available also pay a rate related to the group size when we do not have a smaller available space. Outdoor spaces have different rates to indoor spaces: these are reasons for differences in current charging.</p> <p>A lettings policy will be agreed by the Governing Body on 20/06/19 to reflect these points and decisions made will be documented in future.</p> <p>The timing of the issuing of invoices will be considered as part of the new policy.</p>	<p>Agreed that no evidence was provided. Governing Body sub-committee minutes could not be located / accessed in the long term absence of previous substantive School Business Manager.</p> <p>The School Business Manager reviews lettings with the Site Manager and has established a school lettings policy that meets the needs of both the school and the community. This ensures a fair charge meets both school and community needs. This policy has been approved by the Governing Body on 20/06/19.</p>
2.09	<p>The procurement quotation process for appointing a Catering Contract Management company did not present all available options to Governors.</p>	<p>The School did not discuss the use of LA procurement services however Governors were presented with all other available options for a Catering Contract Management Company. A detailed SLA with costs comparison on all three companies was presented. This was discussed in detail with Governors. Available options were discussed but not all were detailed in the minutes. Minute accuracy has been addressed with new minute taker who has been trained to make</p>	<p>Governors were presented with options for a Catering Contract Management Company. The school believed that LA procurement was not an option as the LA contract was not due for renewal until September 2020. A detailed SLA with costs comparison on three companies was presented. This was discussed in detail with Governors. Available options were discussed but not all were detailed in the minutes. Minute accuracy has been addressed with a new minute taker who has been trained to make accurate, detailed minutes. The full Governing Body will</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	<p>The Contract Manager was costing the School in excess of £22k over a 3 year period, despite running a deficit budget.</p>	<p>accurate, detailed minutes.</p> <p>Full Governing Body will continue to agree to all sub-committee recommendations through ratification of minutes.</p> <p>Appendix papers detailed the advantages and disadvantages of each company involved.</p> <p>Further Audit Comment: Whilst advantages and disadvantages were recorded, there was no overall evaluation or reasons documented.</p> <p>There is no current capacity at school to monitor the contract due to business team cuts. The GB chose to continue with the services of the contract manager (£5100 pa) due to the specialist combined catering and financial skillset of the manager and the actual cost saving to senior leader time at the school whose time is better focused on continuing to raise standards of teaching and learning and pupil and staff wellbeing. The business admin. team time has been cut significantly over the last 18 months with a loss of 4 team members, leaving no time to manage projects of this nature. Appointing an additional member of the team for a one-off project would not provide value for money.</p> <p>The school had in-house IT specialists to manage the IT tender process but has no catering specialists. The time taken on the IT tender process was onerous and impacted on the school decision to outsource the</p>	<p>continue to scrutinise all sub-committee recommendations through the ratification of minutes. Papers supplementing the minutes detailed the advantages and disadvantages of each company involved.</p> <p>Due to cuts to support staff there is no capacity at school to monitor the catering contract. The GB chose to continue with the services of the contract manager (£5100 pa) due to the specialist combined catering and financial skillset of the manager and the actual cost saving to senior leader time at the school whose time is better focused on continuing to raise standards of teaching and learning and pupil and staff wellbeing. The business admin team time has been cut significantly over the last 18 months with a loss of 4 team members, leaving no time to manage projects of this nature. Appointing an additional member of the team for a one-off project would not provide value for money. As the School Business Manager and finance officers have developed in post, reconsideration to this service has been given. GB meeting to consider withdrawal from the contract to be undertaken in November 2019.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		catering tender process.	
2.10	The School had not acquired quotes in accordance with Contract Standing Orders for Schools and there was no evidence available to support that the School had always conducted market-testing to demonstrate value for money when purchasing goods and services.	<p>Market research is always conducted but records of this were not kept. Records will be kept in future and retained.</p> <p>Excepted Contracts Form will be used in future where appropriate.</p>	Market research is always conducted but records of this were not always kept. Records are now made and retained.
3.04	<p>A staffing structure detailing names and job titles was not available at the time of the audit.</p> <p>The Teaching and Learning Responsibility (TLR) posts at the School had not been reviewed since 2015.</p>	<p>A complete staffing structure has been provided. This structure refers to all TLR posts. It is not a comprehensive staff list.</p> <p>The reason why a list was not provided is that the DHT (personnel) was not requested as such during the audit visit. He keeps structures up-to-date in accordance with his role.</p> <p>The TLRs were decided for these 3 posts during the review of 2014-2015 with HR support and guidance. These will be reviewed in line with the demands of the new curriculum.</p> <p>The employee is a Subject Leader for German on a TLR2c. Welsh is not classified as a MFL and cannot be grouped as such.</p> <p>The Subject Leader currently line manages 1 other person and the work in German of 2 French teachers. When the direct line management</p>	<p>A staffing structure was available at the time of the audit visit. There was a lack of clarity with regards to the nature of the auditors' request during the visit. The DHT (Personnel) maintains a staffing structure at the school but he was not asked for such during the visit. Staff are not named on this structure list (as personnel may change). A separate named list of staff with roles is also available at the school on a separate spreadsheet. Audit were provided with this spreadsheet during their visit.</p> <p>The TLR structure was reviewed in its entirety in 2015. The audit team visited in December 2018 (3 years later). There is no requirement to completely review a structure every three years. Since September 2015, the Maths, Science, Business, Social Sciences and English team TLR responsibilities have been reviewed and modified where necessary. The LSA team, business admin support team, technicians team and site team have also been reviewed since 2015. These facts were shared with the audit team during their visit.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		<p>disappears (09/2019), we will reflect on the relevance of the grading.</p> <p>We are lower than the national average for TLRs held at a secondary school in Wales.</p>	
3.05	<p>DBS checks were not always completed prior to members of staff commencing work at the School. In the absence of a DBS check, a DBS Risk Assessment was not always completed prior to the employees start date with the DBS application form being submitted to the DBS.</p>	<p>DBS checks / Risk Assessments will be requested / completed in advance of the employees start date for all future appointments.</p> <p>Employee A had worked for NCC only a year prior (for a 2 year period). She came to NCC with a DBS in September 2018. She did not teach until 11/09/18 because of the nature of her part-time contract and the fact there were no teaching days for her until 11/09/2018. Employee A was on site the first week of term but only post 16 pupils were present. The Risk Assessment was completed on 11/09/2018 (her first day of teaching) in case the DBS did not come in on time. However, it was received on time.</p> <p>Employee B did have a DBS from previous employment. Risk assessment was completed but a deletion was overlooked. By the time induction was complete and she was in the classroom the NCC DBS was in place.</p> <p>This is a foreign language assistant employed through the British Council. The School was unaware a DBS check was required.</p> <p>Further Audit Comment: The British Council Terms & Conditions state the School</p>	<p>The three cases queried have been discussed with the audit team on 3 separate occasions.</p> <p>Employee A (teacher) had a start date of 01/09/2018. This employee came into the school with a DBS from another authority and had worked at Caerleon Comprehensive the previous year. She was not in the classroom until 11/09/2018 due to the fact that term started with inset day and the fact that she had a part-time contract that did not require her to teach until 11/09/2019. Her NCC DBS was confirmed on 11/09/2018 before she began her teaching. A Risk Assessment was also in place in line with NCC Policy.</p> <p>Employee B (cover supervisor) had her DBS before she began work in the classroom. She also had a Risk Assessment in line with NCC Policy.</p> <p>Employee C (Foreign Language Assistant) was employed through the British Council and entered the UK with her resident country police checks in place. The school was advised by NCC HR Payroll that foreign language assistants do not require a NCC DBS. HR Payroll corrected this by applying for a DBS check when the School Business Manager pursued this line of enquiry on behalf of the employee.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		should carry out a check within four weeks of the FLA's arrival.	
3.06	<p>Staff were permitted to take 3 days paid leave of absence if their child was unwell. This was not recorded onto the HR & Payroll system. There was no documented policy at the School and evidence of Governing Body approval for these arrangements was not provided.</p>	<p>We have consulted with unions who have given detailed responses on their stance. These have been forwarded to the Chief Education Officer.</p> <p>The NCC policy provides paid leave "up to three days leave with pay per annum for the serious illness of a close relative (parent, spouse, partner or child or relative who depends on the employee for care)"</p> <p>The number of absences of this nature within a rolling 12month period will be recorded onto the Leave of Absence form in future. All absences will be fully documented and recorded onto the HR and Payroll system in future. We will ensure the School complies with the NCC Leave of Absence Policy.</p>	<p>The school has consulted with teaching unions who have given detailed responses which contend there to be a discrimination case under the Equalities Act if teachers are denied paid leave to look after a sick child. These union responses have been forwarded to the Chief Education Officer.</p> <p>For clarity, the NCC policy permits "<i>up to three days leave with pay per annum for the serious illness of a close relative (parent, spouse, partner or child or relative who depends on the employee for care)</i>". The school contends it is applying this policy.</p>
3.07	<p>High levels of Time off in Lieu (TOIL) were being accrued by members of staff with no evidence of authorisation for the additional hours being worked. The School did not have a TOIL policy and when requesting days off using accrued TOIL, full information was not provided to the Deputy Headteacher. TOIL earned was sometimes paid as additional hours.</p>	<p>A TOIL policy has been developed and approved by governors.</p> <p>Changes to staff working hours have addressed the issues raised.</p> <p>TOIL has accrued due to 10 members of the business team being lost over the last 6 years.</p>	<p>TOIL had been accrued due to reduced capacity to administer essential work at the school. The size of the business team had been significantly reduced (by 10 employees) over 6 years. Changes to staff working hours has largely addressed the issue.</p> <p>A TOIL policy has been developed and approved by governors.</p>
3.08	<p>A number of Sickness Absence and Return to Work Discussion forms</p>	<p>In the long term absence of the SBM, some RTW forms were not completed on time (no capacity for another</p>	<p>In the long term absence of the School Business Manager, some Return to Work forms were not completed on time. Due to</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	could either not be located or were not completed in full.	<p>team member to take on her responsibilities in her absence).</p> <p>Sickness Absence and Return to Work Discussion forms will be completed in full for all absences and held on personnel files at the School in future.</p>	<p>business admin. team reduction, there was no capacity for another team member to take on these responsibilities in her absence.</p> <p>It is normal practice for Sickness Absence and Return to Work Discussion forms to be completed in full. The fact that the school's sickness levels compare favourably to city and school average figures are testament to a well-managed process.</p>
3.09	The review of driving at work documentation was not sufficient, had not been conducted on an annual basis for all staff and those who drove fleet vehicles / transported young people did not have their licence reviewed every 6 months.	<p>A further driving documentation check has been carried out in February 2019 which includes the current School Business Manager.</p> <p>School Business Manager to ensure the 6 monthly check is carried out.</p>	A driving documentation check has been carried out in February 2019.
4.05	The School Private Fund management committee was not documented as meeting on a regular / termly basis to review the activities of the fund. The Fund Constitution document could not be located at the time of the audit.	<p>SPF Constitution is now in place.</p> <p>Termly meetings are now taking place.</p>	<p>SPF Constitution is now in place.</p> <p>Termly meetings are now taking place.</p>
4.06	Supporting documentation to identify the date and source of school private fund income being initially received was not present to support the School trip income. Teaching staff were collecting and holding significant sums of money which was in excess of the	The School will be using a cashless system (Parent Pay) from September 2019 which will record all income received and reduce the need for cash handling by teaching staff.	The school is to implement a cashless system which records all income received and reduce the need for cash handling by teaching staff (November 2019). This was originally planned for September 2019 but staff workload has delayed implementation.

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	school's insurance arrangements.		
4.07	Expenditure in relation to 'tips' on school trips were not always detailed and accompanied by supporting documentation.	A proforma is now in place for all 'cash' issued during a trip. The transfer of cash and subsequent expenditure will be signed for. This will be applied to any 'tips' given.	A proforma is already in place for all 'cash' issued during a trip. The transfer of cash and subsequent expenditure is signed for. The trip queried by the auditors in relation to 'tips' was a visit to the USA whereby a teacher had listed the tips but had not signed a statement to confirm the tip charges. Teachers will sign a separate statement to confirm 'tips' in future as per audit instruction. For clarity, School Private Funds are not used for 'tips'.
4.08	The School was operating the School Private Fund across more than the permitted number of bank accounts and monthly reconciliations only accounted for 1 of the 3 SPF bank accounts held. There was no mandate held for the two additional bank accounts operated. The treasurer had online bank account access and the ability to move funds without any prior authorisation or oversight.	Monthly reconciliations of all 3 accounts are being completed. The School will obtain written confirmation from the bank with regards to the access and transfer arrangements for the deposit accounts. SPF Treasurer will obtain authorisation for future transfer of funds between the additional accounts to the main SPF account from authorised signatories of the SPF fund.	Monthly reconciliations of all 3 accounts have been completed. The school has had confirmation from the bank with regards to the access and transfer arrangements for the deposit accounts. To clarify, the treasurer can only move funds between these accounts and not transfer monies out of these accounts. SPF Treasurer now obtains authorisation for future transfer of funds between the additional accounts to the main SPF account from authorised signatories of the SPF fund.
4.09	The SPF accounts for 2017/18 had not been independently audited. Previous account audits had not included the full fund (i.e. 3 bank accounts) and were completed by an employee of the school.	A full consolidated end of year Statement of Accounts for 2017/18 has now been completed and is ready for audit. A new fund auditor will be sought who is independent of the School. Following the fund audit a copy of the signed statement will be submitted into	A full consolidated end of year Statement of Accounts for 2017/18 has been completed and has been audited. A new fund auditor is in place. Following the fund audit a copy of the signed statement has been submitted to Schools Finance.

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		Schools Finance.	
5.05	The school's inventory record was incomplete at the time of the review and did not detail all required information. It was not possible to complete an inventory check of the School's assets.	All records have been transferred to the NCC inventory format, showing where assets have been disposed of where applicable. Inventory checks are now in place in line with insurance requirements.	There were two separate, complete inventory records at the time of audit visit: one for IT; one for all other items. All records have been transferred to the NCC inventory format, showing where assets have been disposed of where applicable. Inventory checks are in place in line with insurance requirements.
5.06	The school did not have an adequate safe and had not reviewed the access controls for a considerable period of time.	The School will look at costs for a new safe. However, from September 2019 the School will be using a cashless payment system (Parent Pay) which will reduce the cash / cheques held by the School. The School will conduct more regular banking trips if the money held goes over the insurance limit for the School safe. The School will investigate how to change the combination code for the safe.	The school has adopted a cashless payment system (planned for November 2019). This reduces the cash / cheques held by the school. The school conducts regular banking trips if the money held goes over the insurance limit for the school safe.
5.07	The records in support of the School's minibus were not fully completed and the statutory daily defects check sheets were not being completed.	Staff have been reminded it is a legal requirement to complete the daily defect logs. Staff have also been reminded to complete the journey log sheet for each vehicle with full details.	Staff have been reminded it is a legal requirement to complete the daily defect logs. Staff have also been reminded to complete the journey log sheet for each vehicle with full details.
6.02	There was no evidence to confirm that the School's budget for 2018/19 had been formally approved by the Governing Body.	A meeting of the full Governing Body has approved the budget for the 2019/20 Financial Year. The School has appointed and trained a new minute taker for sub-committee meetings and will ensure minutes accurately reflect discussions in the meetings in future.	A meeting of the full Governing Body has approved the budget for the 2019/20 Financial Year. The Governing Body approve the budget every year.

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		These instances refer to times when the SBM was on long term sickness leave which is why finance did not feature at the stated meetings.	
6.03	No visit had been made by Schools Finance to the School for budget monitoring purposes for 5 months, despite the projected deficit. Previous visits were not made in accordance with the School's Intervention Plan (June 2014).	Schools Finance have allocated a dedicated FBP to work closely with the school on a monthly basis to monitor the deficit position with support from senior finance officers. The school will be supported through an enhanced finance support SLA for the financial year 2019/20 and on-going if required and regular contact meetings with the Chief Education officer, Schools Finance and the school will take place during year to review the position.	Agreed.
6.04	No budget monitoring / reconciliation documentation could be provided by the School for the period prior to the new School Business Manager commencing employment. (July 2018)	Monthly budget monitoring and reconciliation records are now held by the School.	Monthly budget monitoring and reconciliation records are now held by the school.
6.05	The School budget (deficit) was not a standing agenda item at the Full Governing Body meetings. The finances of the School were not regularly and sufficiently discussed by either the Full Governing Body or the Finance Sub-Committee as per the recorded minutes.	<p>The School budget features as part of the Head's Report to the GB twice annually as well as finance GB committee meeting half termly to discuss budget matters.</p> <p>The School has appointed and trained a new minute taker for sub-committee meetings and will ensure minutes accurately reflect meeting discussions in future.</p> <p>Further Audit Comment: Given the Schools deficit budget situation, we would</p>	<p>The school budget features as part of the Headteacher's Report to the GB twice annually. Finance GB committee meeting minutes are reviewed at every GB meeting as a standing item. The finance sub-committee meets half termly to discuss budget matters.</p> <p>The school has appointed and trained a new minute taker for sub-committee meetings to ensure minutes accurately reflect meeting discussions.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		recommend the finances of the School are reported to the GB at every opportunity to enable them to be closely monitored.	
7.03	Minutes of Governing Body meetings were not readily available at the School (signed or otherwise)	<p>The audit visit was made at a time when the outgoing School Business Manager was on long term sick. This is why the sub-committee documents were not available (she kept these records). Full Governing Body minutes are held on file and are available. Some minutes not located and the SBM has left the school.</p> <p>Going forward, all minutes will be signed and filed centrally at the School.</p> <p>Further Audit Comment: Despite numerous requests copies of signed Governing Body minutes have not been provided. The School should ensure that all documents / paperwork (including minutes) are returned by the previous SBM.</p>	<p>The audit visit was made at a time when the outgoing School Business Manager was on long term sick (4 May 2018- 30 November 2018). This is why the subcommittee documents were not available (she kept these records). Full Governing Body minutes are held on file and are available. Some minutes have not been located as the SBM has left the school.</p> <p>All minutes are signed and filed centrally at the school.</p>
7.04	Register of Business Interest forms for members of the Governing Body could not be located and had not been completed for staff employed at the School.	<p>Register of Business Interest forms for School Governors cannot be found and will be updated at the next AGM.</p> <p>Staff forms to be completed on inset day in June 2019. School to design online form to keep data safe and to ensure appropriate collation & ease of annual updates.</p> <p>The day is for school improvement planning for the core team. This is a model employed by NCC Headteachers when planning and discussing school improvement. Market testing was conducted but no records kept by the previous post-holder. These</p>	<p>Register of Business Interest forms for members of the Governing Body could not be located during the time of the visit even though they had been completed. (Outgoing SBM was absent.) All are in place for staff and governors. The school has devised a secure electronic Register for staff.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
		will be retained in future.	
7.05	A number of Statutory School policies appeared out of date on the audit visit. Governing Body approval for these policies was not provided to Internal Audit.	<p>The Audit team visited when there was nobody co-ordinating policies (due to the SBM absence). There has been an appointment to cover these policy duties from the current team.</p> <p>These policies have been updated and approved by Governors.</p> <p>The School has appointed and trained a new minute taker for sub-committee meetings and will ensure minutes accurately reflect meeting discussions in future.</p>	<p>The Audit team visited just after the termination of the absent SBM's contract. The auditors did not ask relevant staff at the school for up-to-date copies of the statutory policies and concluded that these 'appeared' to be out of date.</p> <p>To clarify, all statutory policies were up-to-date at the time of the audit visit.</p>
1.08	Invoices were being raised by the School in excess of £200 without going through the Corporate Debtors system.	Not required as a Moderate Weakness	Agreed & addressed.
1.09	The control record used to monitor outstanding debts was not complete. A number of invoices had been paid via the NCC Debtors system but the School records indicated the amounts were still outstanding.	Not required as a Moderate Weakness	Agreed & addressed.
1.10	The rental income for the caretaker's house had not been reviewed on an annual basis in line with the tenancy agreement.	Not required as a Moderate Weakness	To be reviewed 2019/2020.
1.11	The School did not have an agreed entitlement policy for the provision of free meals to staff.	Not required as a Moderate Weakness	No 'free' meals are provided to staff. Meals are provided for staff undertaking a lunch duty. At the time of the audit visit the cost per meal was £1.10 per day.

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	Hospitality requests observed at the School were signed off by a member of staff who was absent at the time of the request's authorisation.		Hospitality requests were signed off with an electronic form at the time of audit visit. This included the electronic signature of the outgoing SBM. This has since been changed.
2.11	Purchase orders were not always raised in advance of the order being placed and the invoice being received.	Not required as a Moderate Weakness	Addressed.
2.12	Although outstanding order reports were run and reviewed by the Finance Officer on a monthly basis these were not fully annotated with the reasons for the invoices being outstanding nor reviewed by the School Business Manager. The School had 2 outstanding purchases relating to 2017.	Not required as a Moderate Weakness	SBM now signs all. The 2 outstanding purchases have been settled.
3.10	Regular overtime was being paid to the Caretakers at the School. Income received from weekend lettings did not cover the overtime costs paid to staff. Overtime claim forms were not completed in full.	Not required as a Moderate Weakness	2 caretakers work at the school. The buildings are in excess of 50 years old and require a lot of maintenance. The following has been explained to the auditors. Caretaker A works weekend overtime. This overtime does not only cover lettings related work. 2 hours are paid to open and close site facilities and 2 hours is paid for essential site maintenance. The cost of overtime opening and closing the site at weekends for lettings is £67.12. The income for lettings exceeds costs. Alternative provision has been tried. NORSE operatives were

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
			<p>more expensive, varied in quality and did not carry out site maintenance. The cost of 4 hours of NORSE services to close and open the site at weekends was £215.01 (see invoice 73-03845).</p> <p>Caretaker B works early morning overtime (6.30-7am). This enables him to open the site for early morning catering deliveries and to open buildings for staff who enter from 6.30am. He is also able to start site maintenance duties before pupils are on site (from 7.15am).</p> <p>The alternative of not opening until 7am had been tried but this delayed deliveries and caused traffic issues on site and into Cold Bath Road causing a safety issue for road users and students.</p> <p>The alternative of moving the shift so that the caretaker finished at 2.30 has been considered. However, he carries out the NCC bus patrol duties (an NCC contract to ensure safety at the off-site bus bays). This role was advertised on more than one occasion and there were no applicants. If the caretaker were not at work until 3pm then he would not undertake the bus contract as he would leave at 2.30pm.</p> <p>Whilst these arrangements are not usual, they are fit-for purpose with no viable, cost-effective alternative.</p>
3.11	<p>Midday supervisor allowances were paid to senior members of staff costing the School approx. £40k during the previous 12 months. As well as the allowances, these staff were also provided with a free meal.</p>	<p>Not required as a Moderate Weakness</p>	<p>There are 12 midday supervisors paid at the NCC living wage. This is in line with the 1 for every 100 pupils guide in the ISB guidance document.</p> <p>These staff comprise senior staff, middle level leaders and cover supervisors who give up their lunchbreak for a small payment to ensure site safety for pupils.</p>

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	The Deputy Headteacher had approved the extension to his own midday supervisor contract.		<p>Alternatives have been considered but lunchtime supervisors from the community do not command the same level of respect from students, do not know the students and are hard to recruit at such low levels of pay.</p> <p>The Deputy Headteacher had approved the extension to his own midday supervisor contract. Error which has been addressed.</p>
3.12	The actual duties of the Site & IT Services Manager were not in line with the Job Description and grade.	Not required as a Moderate Weakness	The Site & IT Services Manager's duties are in line with his Job Description and pay grade. The Job Description was constructed with and assessed by HR. The nature of the duties has been explained to the auditors.
3.13	Line rental was paid to the Site & IT Services Manager for their personal mobile phone rather than using an agreed corporate contract.	Not required as a Moderate Weakness	Agreed. At contract renewal service will change.
4.10	The Headteacher was not a signatory on the School Private Fund Account.	Not required as a Moderate Weakness	Agreed.
4.11	The spreadsheet used to manage the School Private Fund transactions did not detail all income received.	Not required as a Moderate Weakness	Resolved.
4.12	Statements of Account for School trips were not completed promptly and were not reported to the management committee.	Not required as a Moderate Weakness	Resolved. Sub-committee of governors acts as 'management committee'.
5.08	The School did not have an agreed policy for the disposal of assets. There were no	Not required as a Moderate Weakness	Addressed.

	AUDIT REPORT	AGREED MANAGEMENT ACTION	RESPONSE FOR AUDIT COMMITTEE
	records maintained for assets disposed of prior to the Audit.		
5.09	Portable IT and electrical equipment had not been security marked as belonging to the School / NCC.	Not required as a Moderate Weakness	All IT equipment is listed by serial number on the school inventory. This is secure. This was in place at the time of audit. Security marking of portable electrical equipment ongoing.
5.10	The School did not have a complete key holder list identifying those with access to the School buildings. Keys held on the premises were not adequately concealed.	Not required as a Moderate Weakness	Only caretakers and site manager have keys to external doors. This was in place at the time of audit. Keys on premises are in a cupboard in the caretakers' office which is locked unless the caretaker is in the office which is located in a place with no public/pupil thoroughfare. This was in place at time of audit.
5.11	The process for visitors signing in and out at the school was inefficient.	Not required as a Moderate Weakness	For security and GDPR compliance we removed our visitor sign-in book from Reception as visitors could see a list of visitors on site. At a time when the school cannot afford electronic sign in equipment, the decision was made that visitor names would be recorded on the receptionist's electronic spreadsheet. This takes no longer than electronic self sign-in and does not carry the risk inherent in a visible visitor sign-in book/ledger. The system at the school is no less efficient than electronic sign-in and is more secure than the traditional sign-in ledger.
6.06	The virement limit for the Headteacher was approved by the Finance Sub-Committee. There was no approved spend limit.	Not required as a Moderate Weakness	The finance sub-committee recommend virement levels through their minutes for GB approval. The virement limit for the Headteacher is £5k. To clarify, there is no virement for the Deputy Headteacher.