



Report to: Schools Forum
Date of Meeting(s): Thursday 7th March 2019
Subject: School Thematic Audit Reviews
Report of: Paul McKeivitt, Director - Resources and Contracts
Contact Officer: Anthony Meehan, Principal Auditor

Purpose of Report: To provide details of enhancements made to the School's Internal Audit coverage through the introduction of Thematic Audit reviews.

Recommendation(s): Schools Forum members are requested to note the contents of the report.

Implications:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: Inadequate Internal Audit coverage increases the risk that appropriate assurance is not provided to Governors, Management and the Section 151 Officer on the effectiveness of internal controls in our maintained schools.

Please list any appendices:-

Appendix A – 2017/18 Thematic Review – Voluntary Fund Dashboard
Appendix B – 2017/18 Thematic Review – Asset Control Dashboard

1. INTRODUCTION

- 1.1 The need for an Internal Audit function is defined by Statute. The Accounts and Audit Regulations 2015 require councils to maintain an adequate and effective system of Internal Audit for its systems of internal control in accordance with proper internal audit practices.
- 1.2 The current Internal Audit approach for maintained schools includes a site visit to review key financial systems on a cyclical basis. The frequency of these visits is around once every 4 to 5 years.
- 1.3 To complement the existing audit coverage, we have recently introduced a process of Thematic Audit reviews, the details of which are set out within this report.

2. THEMATIC AUDIT REVIEWS

- 2.1 The introduction of the Thematic Reviews will enhance our Internal Audit coverage, improving the assurance provided to Governors, Management and the Section 151 officer on the effectiveness of controls in addressing key risks. The approach will also enable us to address emerging risks and provide schools with an Internal Audit resource throughout the cycle of visits.
- 2.2 Each maintained school that buys back our service will continue to receive a site visit on a cyclical basis. The Thematic reviews will run alongside our existing programme.
- 2.3 On an annual basis we will select some topical or high risk areas to be included within the thematic programme. The thematic reviews will adopt the following approach:
 - A small sample of schools will be selected for inclusion in the thematic programme each year;
 - A review will be undertaken at each of these schools examining the controls in place in relation to the relevant theme;
 - The approach will generally require the schools to complete and submit a questionnaire and supply accompanying evidence. Alternatively, the theme will be examined as part of the scheduled routine audit visits. It is not anticipated that further site visits will be required at any schools.
 - Each school in the sample will be provided with an audit report outlining the key findings and recommendations to improve existing systems where necessary.
 - Any key areas of learning and best practice will be circulated to all schools within a summary briefing note, which schools should then use in evaluating their own systems.

- 2.4 During 2017/18, the themes examined were the school Voluntary Fund and Asset Control. These systems were reviewed during the course of our routine audit visits and the findings have been compiled into two summary reports. These have not yet been circulated; however, following forum's consideration of this report, these will then be made available to all schools. Copies of the Voluntary Fund and Asset Control reports are appended (Appendix A and B respectively).
- 2.5 A thematic review of General Data Protection Regulations (GDPR) compliance has also commenced. An internal control questionnaire was circulated to 6 schools (4 Primaries, 1 Secondary and 1 Special) for completion and return last term. The completed questionnaires are currently being reviewed and the findings collated.
- 2.6 We are proposing to complete two thematic reviews per year and therefore, in addition to the GDPR review, we will also be looking at income collection processes as the second theme for this year.

3. RECOMMENDATIONS:

The Forum is asked to:

- (1) Note the content of this report and the information in relation to the Thematic Audit review approach.