

FMSiS External Assessment Final Audit Report – Houghton School

1. Introduction and Scope

- 1.1 In March 2007, the Department for Children, Schools and Families (DCSF) announced the Government's requirement that primary and special schools should meet the Financial Management Standard in Schools (FMSiS).
- 1.2 The Standard requires the Council's Chief Financial Officer (the Corporate Director of Resources), to sign an annual declaration which will indicate that Telford & Wrekin's primary schools either meet the FMSiS, or have developed an action plan to ensure that they will meet it in future.
- 1.3 As you are aware in order to meet the Financial Management Standard you were required to undergo a self evaluation process and provide evidence for an external assessment as outlined by the DCSF. You selected the Telford & Wrekin's Internal Audit Service to carry out that assessment.
- 1.4 The Internal Audit Section carried out their assessment at the school on Tuesday 24 June 2008 and Wednesday 25 June 2008.
- 1.5 We would like to say thank you to the Head teacher and School Administrator for their co-operation throughout the visit.

2 Areas of Good Practice

- 2.1 During the audit many areas of good practice were noted. These included:-
 - Receipt books are kept in each classroom and school fund money taken is recorded on the classroom sheets.
 - A training session was arranged for Governors following the completion of the competency matrix
 - T&W Finance Officer attends a lot of Governors meetings to discuss any queries and assist Governors in their role

3. Management Summary and Overall Opinion

- 3.1 The Auditors carried out a detailed examination of the self assessment form completed by the school and the evidence that was provided.
- 3.2 Due to the number of recommendations, the problem with the imprest account and the fact that there are number of recommendations not implemented from the previous report, it is our overall opinion that the school does not currently meet the essential standards set out in the FMSiS.
- 3.3 On the basis of the work carried out it is our opinion that the level of assurance provided by controls for this audit area is **Limited** - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. There are a number of legal

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and/or financial regulation recommendations or recommendations concerning areas of high priority to the Council.

3.4 As stated in 3.3 the action points identified have been categorised as shown below:-

- ** Legal Requirement - should be implemented immediately.
- ** Financial Regulation - should be implemented immediately.
- ** Policy / Procedures Requirement - should be implemented within a month of agreement to the report.
- ** DCSF Requirement – should be implemented within twenty days of agreement to the report.
- ** Best Practice - should be implemented at a mutually agreed date.

3.5 The recommendations made in this report to improve the controls in your school are analysed over the categories below:

Improvement Areas – Action Points found at time of visit	Number	Percentage %	Actioned as at 10/9/08
Legal requirement	2	8%	1
Financial Regulation	11	42%	3
Policy/Procedure	2	8%	0
DCSF Requirement	7	27%	2
Best Practice	4	15%	3
TOTAL	26	100%	35%

3.6 Audit Services will be revisiting the school in March 2009 and reassessing them against the Financial Management Standard.

Business Continuity Planning

1. Introduction and Scope

- 1.1 An audit review was undertaken in February – June 2008, to provide an opinion on the control environment and a level of assurance for Corporate Business Continuity Planning.
- 1.2 The scope of the audit was agreed by the Trading Standards & Civil Resilience Manager who we would like to thank for his help during the audit.

2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out it is our opinion that the level of assurance provided by controls for this audit area is **Limited** - whilst there is basically a sound system of

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control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. There are a number of legal and/or financial regulation recommendations or recommendations concerning areas of high priority to the Council.

- 2.2 Although there has been work undertaken corporately and some across the Council in respect to business continuity, a lack of resources has affected progress. This was addressed towards the end of the review and progress is now being made.
- 2.3 It was recognised during the audit that work has taken place and continues in respect to the review and development of policies, procedures and documentation. Once these have been fully developed, implemented and awareness provided then many of the recommended actions will be achieved.
- 2.5 Out of the 25 controls reviewed during this audit, 5 (20%) were found to be satisfactory. Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.
- ⌘ Legal Requirement - should be implemented immediately.
 - ⌘ Financial Regulation - should be implemented immediately.
 - ⌘ Policy / Procedures Requirement - should be implemented within a month of agreement to the report.
 - ⌘ Best Practice, should be implemented at a mutually agreed date.
- 2.6 The recommendations made to improve the controls in your area are analysed over these categories below:

Recommendation Category	Number	Percentage
Legal requirement	-	-
Financial Regulation	-	-
Policy/Procedure	19	66%
Best Practice	10	34%
Total	29	100%

- 2.7 The implementation of the recommendations made in this report will further strengthen the controls and processes in your area.