Internal Audit Consultancy Report
Assignment Number – 14-17
Online Payments In Schools
March 2015

Final Report

Background and Scope

This review was carried out as part of the audit plan approved for 2014/15 by the Audit Committee on 2nd April 2014. The indicative scope of the review, agreed by the Committee, was to provide advice when developing and implementing controls enabling schools to receive payments online.

Schools receive income for many different purposes, including payment for meals and school trips. Currently such income is received by either cheque or cash. As part of a plan to streamline administrative functions, Education & Children's Services has embarked on a project to enable schools to receive income electronically. The original timescale was for the project to have been in place by March 2015. However this is no longer achievable.

Process and Findings

The Service allocated a project manager and established an extensive project team to be involved in the process. The system is to be procured through Scotland Excel, which has previously identified 3 organisations who could provide the IT system to support schools receiving payment online. A smaller working group was established which reviewed the functionality of the systems to ensure that the system would meet the requirements of both schools and parents.

The aim of the system, which will support the Scottish Government's digital strategies, is to provide key stakeholders (namely parents and carers) with a system to make payments to schools that is easy and convenient to use. A further aim is to minimise the amount of money received in the school and therefore the associated time in the preparation of banking and banking of such cash and its subsequent reconciliations. The systems therefore had to be accessible to parents, who may have children and young people in different schools within Perth & Kinross without the need to re-key information routinely. Once the system has been procured, associated administration arrangements will need to be established which support the processes. A small sample of schools is to trial the system in order to ensure its functionality within Perth & Kinross prior to a full roll out to all schools. The sample schools will be representative of all Perth & Kinross schools, e.g. primary, secondary, all-through, large, small, urban and rural.

At a meeting of the Project Team in November 2014, three systems were identified as having the potential to meet the Council's needs. A targeted group from the project team with a key interest in using the systems were to undertake visits to other Councils' schools where the systems were in use and view the systems in action and this was undertaken.

However, the procurement activity has not progressed significantly since this time. The Project Manager and key members of the group had sought additional questions to be answered by the suppliers to ensure that the functionality would be in place for Perth & Kinross schools. Due to the delay, and the third supplier improving its functionality, a member of the Project Team has now highlighted that this supplier should also now be included.

Timescales

The original timescales for the procurement of the process would have resulted in the initial trial schools going live with the new system in March 2015. Due to the delays which have been experienced, this timescale is no longer achievable. The Project Manager is now anticipating that the new system will be procured in time for a trial roll out in June 2015. This will enable a review to be undertaken during the summer which will support the roll out of the online payments system to the remaining schools within the following academic session.

Next Steps

In order for the system to be of benefit for the schools, the next few months of the procurement process are critical. The project has been assigned a new Project Manager as a result of staff changes within the team and the new Project Manager is progressing the procurement as a matter of priority.

She is working with colleagues in procurement to ensure that all the outstanding questions of suppliers are being addressed and is establishing a working party which will be available to see demonstrations of all three systems prior to making a decision based on functionality. She is also working with IT to ensure that there is capacity for the roll out within schools.

Internal Audit will remain in contact with the Project Manager to ensure that progress is made with online payments and to ensure that the control environment within school offices is not compromised by it.

Opinion

A final opinion on the overall arrangements in place for enabling schools to receive payments online is not possible at present due to the slippage in the project. However, Internal Audit will continue to be represented at the project team in order to ensure that appropriate controls exist within the procured system so as to ensure the confidentiality of information and to ensure the integrity of the control environment within the school office.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of the Project Managers and officers working in the Project Team during this review.

Feedback

Internal Audit welcomes feedback from management, in connection with this review or with the Internal Audit service in general.

Distribution

This report has been distributed to:

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External Audit

Authorisation

The Auditor for this assignment was J Clark.

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Jackie Clark
Chief Internal Auditor
Date: 30 March 2015