



Internal Audit Report
Education & Children's Services
Crieff Primary Assurance Review 15-47
December 2015

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out in addition to the approved Audit Plan for 2015/16, and arose as a result of money going missing from the school office.

The school highlighted that money had gone missing during the school day and contacted Education & Children’s Services’ Finance Support Team. The police were informed of the missing money and a review of security arrangements for assets (including cash) was undertaken shortly thereafter by Internal Audit.

Scope and Limitations

The review incorporated visits to Crieff Primary School and discussions with the Depute Head Teacher and office staff with regard to the specific circumstances which led to the money going missing. Whilst a review of other security issues took place, a full audit of the financial management of the school has not been undertaken.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure the security of assets at Crieff Primary School
<p>Auditor’s Comments:</p> <p>Crieff Primary School has a very busy office and the cash collection arrangements revealed that procedures were being followed for the management of school income and for banking such income. Financial Policies and Procedures require that non-school meals monies are receipted, however this does not occur.</p> <p>Access to areas of the school is controlled by the use of fobs which are required to open doors within the school. Information about who has accessed areas of the school is stored on a local pc, however this is not networked. In addition, there is a supply of ‘visitor’ fobs which can be used but which are not subject to controls over who they have been issued to and whether they have been returned.</p> <p>From a sample of items purchased by the School since its move to the new building, the auditor was able to trace all items. In addition, the auditor was able to trace valuable and portable IT equipment (e.g. iPad minis) and verified that</p>

appropriate controls over their issue were in place.	
Strength of Internal Controls:	Moderate

Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of staff at Crieff Primary School and Education & Children's Services Finance Support Team during this audit.

Feedback

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

Distribution

This report has been distributed to:

B Malone, chief Executive

J Fyffe, Senior Depute Chief Executive, (Equality, Community Planning & Public Service Reform)

S Devlin, Director of Education & Children's Services

B Renton, Director, Environment

S Crawford, Head of Property Services

J Clow, Acting Head of Education (Early Years & Primary)

G Boland, Senior Business & Resources Manager

A Dalziel, Quality Improvement Officer

A Beaton, Headteacher, Crieff Primary School

J Symon, Head of Finance

Internal Audit Report

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The auditors for this assignment were A Gallacher and J Clark.

This report is authorised for issue:

Jacqueline Clark

Chief Internal Auditor

Date: 24 December 2015

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Financial Policies and Procedures	Medium
2	Access to the School	Medium
3	Back Up of Paxton System	Low

Appendix 2: Action Plan

Action Point 1 - Financial policies and Procedures

Financial Policies and Procedures require that receipts are issued for income received over £10 and/or a record maintained of income received where the value is below £10; and that cash is not left unattended.

Crieff Primary school does not maintain a prime record of cash received such as receipts or cash collected record.

The school stated that the occasion where the cash was left unattended was a one-off occurrence and would not happen again.

Management Action Plan

1. A receipt book is now in use for income received other than school meals in line with the requirements of the Financial Policies and Procedures.
2. Cash will not be left unattended.

Importance:	Medium
Responsible Officer:	A Beaton, Headteacher, Crieff Primary School
Lead Service:	Education & Children's Services
Date for Completion (Month / Year):	1. Compete 2. Complete and ongoing
Required Evidence of Completion:	Supporting record for all income (including receipts for over £10)

Auditor's Comments

Satisfactory

Action Point 2 - Access to the school

Access to the school building beyond reception is controlled via fob access. It is the head teacher's responsibility to ensure that only those individuals who require access are provided with the mechanism to access relevant parts of the building. School staff are provided with fobs which are clearly identifiable as belonging to that individual. There are a number of 'Visitor' fobs in use however these are not held securely nor is there any control over the location of the fobs and no record of to whom they have been issued. There is no clear indication that all fobs are checked to ensure that they are returned at the end of the day.

Management Action Plan

A review has taken place of all fobs at the school. A record is now held of all visitor fobs issued, detailing the name of the person to whom the fob is issued, the time of issue and the time of return.

Importance:	Medium
Responsible Officer:	A Beaton, Headteacher, Crieff Primary School
Lead Service:	Education & Children's Services
Date for Completion (Month / Year):	Complete
Required Evidence of Completion:	Record of issue of fobs

Auditor's Comments

Satisfactory

Action Point 3 - Back-up of Paxton System

The system which is used to control access to the building is called the Paxton system. The system records when individuals have used their fobs to access areas of the school. The Paxton system maintains a log of access to individual areas. However, the system is located on a stand-alone pc within the school and there is no back up of the information it holds. The same system is in use at Oakbank Primary School.

Management Action Plan

Arrangements will be put in place to ensure that the Paxton system for logging access to the school premises is backed up in both Crieff Primary and Oakbank schools.

Importance:	Low
Responsible Officer:	N Scott, Facilities Management Assistant
Lead Service:	The Environment Service
Date for Completion (Month / Year):	January 2016
Required Evidence of Completion:	Confirmation of back-up

Auditor's Comments

Satisfactory