



Academy

Internal Controls Evaluation

Report 2 of 2

2020-21






Academy Name: Chelmsford County High School for Girls
Date of Review: April 2021

Enabling teachers to teach

INTERNAL CONTROLS EVALUATION (ICE)

This report relates to the second of a programme of two Internal Controls Evaluation reviews. All findings contained in this report should be considered by the academy's committee responsible for providing assurance over the suitability of, and compliance with, the financial systems and operational controls in place.

Key:

-  High Priority: Trustees/Governors must review this recommendation as a priority.
-  Medium Priority: Internal controls should be strengthened to minimise risk.
-  Low Priority: Internal control could be strengthened in line with best practice, but little risk of material loss.
-  For information.
-  Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.

The Juniper Education Academy ICE Service can provide assurance that appropriate financial controls are being operated within the academy, based on the understanding that the information provided during the review is accurate and complete. It should be noted however that recommendations to improve financial controls, if implemented, cannot guarantee that penalties, fraud or misappropriation could not occur.

Where appropriate this report contains references to the Academies Financial Handbook (AFH) effective 1st September 2020, the Anti-Fraud Checklist for Academy Trust's updated by the Education & Skills Funding Agency (ESFA) March 2018 and the Self Resource Management Self-Assessment Tool (SRMSAT).

It is advised that an action plan be established to address areas of risk identified within this report, with an associated owner and a timeline for implementation. If trustees/governors decide not to implement any recommendation included in this report as high priority, the rationale should be formally recorded in the minutes of a board of trustee / governing body meeting.

Please note that this report is an exception report and therefore only contains the details of any issues arising from the review of the scope of work detailed below.

SECTION E: GOVERNANCE, REPORTING AND FINANCIAL ACCOUNTING

Scope of Work	
E1: Reporting to Trustees	<ul style="list-style-type: none">• financial reports• reporting responsibilities
E2: Internal Scrutiny:	<ul style="list-style-type: none">• review of internal controls evaluation scope of work• review of internal controls evaluation reports• follow up of previous 'high priority' ICE recommendations• review of statutory audit Management Letter• review of Dear Accounting Officer letters• frequency of board and committee meetings
E3: Internal Control:	<ul style="list-style-type: none">• financial control account reconciliations

	Findings	Recommendation / Notes	Action Plan
	E1: Reporting to Trustees		
<input type="radio"/>	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		
	E2: Internal Scrutiny		
	Review of Internal Controls Evaluation Reports		
<input checked="" type="radio"/>	The academy is reminded of the new requirement detailed opposite.	Trusts are reminded of section 3.23 of the Academies Financial Handbooks which states that the trust must submit its annual summary report of the areas reviewed, key findings, recommendations and conclusions of internal scrutiny to the ESFA by 31 December each year when it submits its audited annual accounts.	
	E3: Internal Control		
<input type="radio"/>	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		

SECTION F: EXPENDITURE



Scope of Work	
F1: Internal Procedure:	<ul style="list-style-type: none">• delegated authorisation levels• purchase cards• petty cash
F2: Proper and Regular Use of Public Funds:	<ul style="list-style-type: none">• value for money procedures• quotations
F3: Internal Control:	<ul style="list-style-type: none">• sample testing of purchase orders & invoices
F4: Tax Implications:	<ul style="list-style-type: none">• payments made to individuals for HMRC compliance
F5: Related Parties:	<ul style="list-style-type: none">• recognising related party relationships• related party transactions

	Findings	Recommendation / Note	Action Plan
	F1: Internal Procedure		
<input type="radio"/>	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		
	F2: Proper & Regular Use of Public Funds		
	Value for Money Procedures		
<input checked="" type="radio"/>	The Senior Finance Officer advised that the contract listing has not been shared with or reviewed by trustees.	The contract listing should be shared with trustees regularly to make them aware of any upcoming milestones and provide them with an opportunity to challenge procurement plans. The review should be recorded in the minutes of an appropriate meeting.	
	F3: Internal Control		
<input type="radio"/>	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		

	Findings	Recommendation / Note	Action Plan
	F4: Tax Implications		
<input type="radio"/>	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		
	F5: Related Parties		
	Related Party Transactions		
<input checked="" type="radio"/>	The Senior Finance Officer advised that the academy has not transacted with any related parties so far during the current financial year.	Attention is drawn to sections 5.43 to 5.54 of the Academies Financial Handbook. The academy should ensure adherence to the requirements in the handbook should they enter into any transactions with related parties in the future.	

SECTION G: ASSETS

Scope of Work	
G1: Fixed Assets & Inventory	<ul style="list-style-type: none"> • register of insurable items • register of insurable items: physical check
G2: Fixed Asset Disposals	<ul style="list-style-type: none"> • disposals

	Findings	Recommendations / Notes	Action Plan
	G1: Fixed Assets & Inventory		
	<u>Register of Insurable Items: Physical Check</u>		
	The physical check of the academy's Register of Insurable Items recorded in the Parago system was completed by the IT Manager, who is also responsible for maintaining the register. It was advised that the School Business Manager undertook a spot check of the register, however, this is not evidenced.	There must be evidence of the spot checks undertaken by the School Business Manager on the accuracy of the Parago system, ideally recorded within the Parago system itself.	
	G2: Fixed Asset Disposals		
	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		

SECTION H: PAYROLL

Scope of Work	
H1: Payroll Processing:	<ul style="list-style-type: none"> • authorisation • contract change approval & segregation of duties • sample of staff contracts and payments

	Findings	Recommendation / Note	Action Plan
	H1: Payroll Processing		
<input type="radio"/>	Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.		

USEFUL NOTES

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Our **Clerks** have a wealth of knowledge about governance, access to the latest developments in educational legislation and a wealth of templates and other resources to support your governing body. If you already subscribe to Governor Services click <https://junipereducation.org/login/> to access model policies and other resources available to you.

Courses available..... Juniper Education offer bespoke governor finance training and Headteacher / Senior Leader Finance Training – please ask for details. Alternatively, details of all courses being offered can be found on <https://www.junipercpd.org/cpd/>



KEY CONTACTS

Juniper Education Review Consultant	Sian Smith
Information Provided by	Senior Finance Officer
Chair of the Board of Trustees	Steve Miles
Chair of Facilities & Finance Committee / Responsible Officer	Richard Vass
Headteacher / Accounting Officer	Stephen Lawlor
School Business Manager	Melissa Mulgrew
Financial Accounting System	PSF



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