



Academy

Internal Controls Evaluation

Report 2 of 2

2019-20

Academy Name: Chelmsford County High School for Girls
Date of Review: June 2020

Please note that due to the current restrictions this review has been completed remotely using information submitted electronically to us by academy staff. Notes have been included in your report where it was not possible to fully complete the original scope of work.

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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 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 2019, 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 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 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 AND FINANCIAL ACCOUNTING

Scope of Work	
E1: Internal Scrutiny:	Guideline References:
<ul style="list-style-type: none"> review of internal controls evaluation scope of work 	AFH 3.1, 3.8, 3.13, 3.15; SRMSAT 33
<ul style="list-style-type: none"> review of internal controls evaluation reports 	AFH 3.15, 3.16
<ul style="list-style-type: none"> follow up of previous 'high priority' ICE recommendations 	AFH 2.40, 3.15, 3.16, 4.16; Dear Accounting Officer letter dated September 2019; SRMSAT 17, 32, 33
<ul style="list-style-type: none"> review of statutory audit Management Letter 	AFH 2.40, 3.15, 3.16, 4.16; Dear Accounting Officer letter dated September 2019; SRMSAT 17, 32, 33
<ul style="list-style-type: none"> review of Dear Accounting Officer letters 	AFH 6.2
<ul style="list-style-type: none"> frequency of board and committee meetings 	AFH 2.3, 3.7; SRMSAT 6A, 6B, 33
E2: Internal Control:	
<ul style="list-style-type: none"> financial control account reconciliations 	AFH 1.30 & 2.7

	Findings	Recommendation / Notes	Action Plan
	E1: Internal Scrutiny		
	Review of Internal Controls Evaluation Reports		
●	At the time of this review, the visit 1 ICE report had not been formally reviewed by trustees.	As required by section 3.16 of the Academies Financial Handbook, the academy should ensure that internal scrutiny findings are made available to all trustees.	Received by all Governors in Full GB agenda pack for meeting on 27/03/20, not formally discussed as cancelled due to COVID. Being presented again at next Full GB on 08/07/20.
	Review of Dear Accounting Officer letters		
●	To date, the EFSA has only published one Dear Accounting Officer letter (dated April 2020) during the current financial year.	Trusts are reminded of section 6.2 of the Academies Financial Handbook which states that Accounting Officers must share 'Dear Accounting Officer' letters with their members, trustees, Chief Financial Officer and senior leadership team, and arrange for the board to discuss it and take action, if necessary, to strengthen financial controls.	Sent to all Governors on 24/04/20 and scheduled for discussion at next FGB on 08/07/20

	Findings	Recommendation / Notes	Action Plan
	E2: Internal Control		
○	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:	Guideline References:
<ul style="list-style-type: none"> delegated authorisation levels 	AFH 2.4, 2.28; SRMSAT 27
<ul style="list-style-type: none"> purchase cards 	AFH 2.4, 2.28, 2.7, 5.32; SRMSAT 27
<ul style="list-style-type: none"> petty cash 	AFH 2.4, 2.28, 2.7; SRMSAT 27
F2: Proper and Regular Use of Public Funds:	
<ul style="list-style-type: none"> value for money procedures 	AFH 1.13, 1.28, 2.7, 2.28, 2.29; SRMSAT 27
<ul style="list-style-type: none"> quotations 	AFH 1.13, 1.28, 2.4, 2.7, 2.29; SRMSAT 27
F3: Internal Control:	
<ul style="list-style-type: none"> sample testing of purchase orders & invoices 	AFH 1.13, 1.28, 2.7, 2.28, 2.29; SRMSAT 27
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 	AFH 5.34 to 5.58; Dear Accounting Officer letter dated September 2019; SRMSAT 10
<ul style="list-style-type: none"> related party transactions 	AFH 5.34 to 5.58; Dear Accounting Officer letter dated September 2019; SRMSAT 10

	Findings	Recommendation / Note	Action Plan
	F1: Internal Procedure - checks partially completed		
○	Checks performed found the systems to be in order and no issues were identified.		
	F2: Proper & Regular Use of Public Funds		
	Value for Money Procedures		
●	<p>The Business Manager maintains a list of annual contracts; however, this list does not include the following details:</p> <ul style="list-style-type: none"> • quotation for renewal • current & proposed pricing • actions taken to secure best value • basis for the decision to award the contract. 	The list of annual contracts should be updated to include the information listed.	
	F3: Internal Control - checks not completed		
	Items listed in the scope of work could not be performed to verify the processes in place.		
	F4: Tax Implications - checks not completed		
	Items listed in the scope of work could not be performed to verify the processes in place.		

	Findings	Recommendation / Note	Action Plan
	F5: Related Parties		
●	The academy has an appropriate process in place to recognise transactions with parties related to, or directly to, members and trustees.	Checks performed during the visit were based on the Register of Interest declaration forms / spreadsheet provided at the time of the visit. Should related parties change during the year, the academy must ensure that they have a process in place for recognising transactions with all current related parties.	
	Related Party Transactions		
●	It was 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	Guideline References:
<ul style="list-style-type: none"> fixed assets policy 	AFH 1.30 & 2.7; SRMSAT 17
<ul style="list-style-type: none"> register of insurable items 	AFH 1.30 & 2.7; SRMSAT 17
<ul style="list-style-type: none"> register of insurable items: physical check 	AFH 1.30 & 2.7; SRMSAT 17
G2: Fixed Asset Disposals	
<ul style="list-style-type: none"> disposals 	AFH 5.22 & 5.23

	Findings	Recommendations / Notes	Action Plan
	G1: Fixed Assets & Inventory		
<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.		
	G2: Fixed Asset Disposals		
<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 H: PAYROLL

Scope of Work	
H1: Payroll Processing:	Guideline References:
<ul style="list-style-type: none"> • authorisation 	AFH 2.4, 2.7
<ul style="list-style-type: none"> • contract change approval & segregation of duties 	AFH 2.7 & ESFA: Anti-Fraud Checklist Item 8
<ul style="list-style-type: none"> • sample of staff contracts and payments 	AFH 2.7

	Findings	Recommendation / Note	Action Plan
	H1: Payroll Processing - checks partially completed		
<input type="radio"/>	Checks performed found the systems to be in order and no issues were identified.		

USEFUL NOTES



We value your feedback....we are continually striving to improve our service and welcome your comments. Please click on the link below to provide feedback on the ICE service:

<https://tt-survey-live.azurewebsites.net/index.php?r=survey/index&sid=598253>

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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/>

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Financial accounting system	PS Financials

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