



Final Internal Audit Report

Anstey First School

Schools Financial Value Standard Controls Assurance

Date of Audit Visit: 5th May 2015

Issued to: Mrs Amy Myers – Headteacher

Final Report to be copied to: Mr Wilfrid Dimsdale - Chair of Governors
Mrs Juliette Thatcher - Chair of Finance, Personnel & Premises Committee

Report Status: Final

Reference: 240

Assurance level Full

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1. EXECUTIVE SUMMARY

Introduction

- 1.1 Hertfordshire County Council's (HCC) Schools' Audit Strategy includes a requirement to annually establish the effectiveness of financial control, risk management and governance arrangements in a sample of schools. This is achieved by assessing the effectiveness of controls in place to comply with the Schools' Financial Value Standard (SFVS). The information obtained enables HCC to complete the required return to the Department for Education.
- 1.2 Anstey First School was included in the sample of schools audited. Each school visited receives an individual report which provides independent assurance regarding the effectiveness of its internal controls in the audited areas. Learning obtained from all audits in the sample is condensed into a single, anonymised report and shared with officers of the County Council and all Hertfordshire schools via the School Bulletin and The Grid.
- 1.3 The audit assessed the effectiveness of controls in the following assurance areas:
- The governing body and school staff
 - Setting the budget
 - Value for money
 - Protecting public money

Overall Audit opinion

- 1.4 Based on the audit work performed, we can provide overall **Full** assurance that there are effective processes in place to mitigate risks in the assurance areas covered in this audit. The Assurance by Risk Area Table in Section 2 gives a more detailed breakdown of this overall opinion.

Audit Commentary

- 1.5 During our review of the finance committee minutes, we noted that whilst the minutes showed a good level of detail to record the financial updates provided to governors, there was limited evidence of whether any questions had been raised in relation to this information.
- 1.6 Whilst the above could be a result of governors being fully assured by the content and therefore having no questions, in particular given the high level of detail, explanations and verbal updates presented, it would be good practice to include a statement to indicate this within the minutes. This would complete the audit trail to demonstrate that governors have considered the information presented. Alternatively, if questions are routinely raised, the minutes should more explicitly record the questions and answers provided.

- 1.7 In making the above comments we acknowledge that sufficient detail was provided of questions and responses for other non-financial reports presented to the committee and therefore we have raised the above as an observation, rather than a formal finding.
- 1.8 In respect of those assurance areas covered in the audit, our work provides good levels of assurance to support the school's Statement of Internal Control should it complete one. The audit also provides assurance to HCC in respect of its Annual Governance Statement.

2. Assurance by Risk Area

- 2.1 Our specific objectives in undertaking this work, as per the Terms of Reference, were to provide Hertfordshire County Council and the school with assurance on the adequacy and effectiveness of internal controls, processes and records in place to mitigate risks in the following areas:

Risk Area	None	Limited	Moderate	Substantial	Full
The governing body and school staff					
Setting the budget					
Value for money					
Protecting public money					
SFVS Overall					

- 2.2 Please see definitions for the above assurance levels at Appendix A.

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
Substantial Assurance	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

Priority of recommendations	
High	There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management.
Medium	There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management.
Merits Attention	There is no significant weakness, but the finding merits attention by management.