

RSM Tenon

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THURROCK COUNCIL

Follow Up of Previous Internal Audit Recommendations

Internal Audit Report 12/13

November 2012

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This review has been performed using RSM Tenon’s bespoke internal audit methodology, **i-RIS**.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

As part of the approved internal audit periodic plan for 2012/13 we have undertaken a review to follow up progress made by Thurrock Council to implement previous internal audit recommendations. Recommendations with dates for implementation not yet due will be followed up as part of the 2011/12 follow up work.

The audits considered as part of the follow up review were:

- Beacon Hill School
- Dilkes Primary School
- The Grays School Media Arts College
- Holy Cross Catholic Primary School
- Kenningtons Primary School
- Stifford Clays Infant School
- Stifford Clays Junior School
- St Joseph's Catholic Primary School
- Thameside Infant School
- Thameside Junior School
- West Thurrock Primary School

The 74 recommendations considered in this review comprised of 1 High, 16 Medium and 57 Low recommendations. All had reached their implementation date.

Concentrating on the recommendations classified as High and Medium, the focus of this review was to provide assurance that all recommendations previously made have been adequately implemented. For recommendations categorised as Low we have accepted management's assurance regarding their implementation.

Staff members responsible for the implementation of recommendations were interviewed to determine the status of agreed actions. Where appropriate, audit testing has been completed to assess the level of compliance with this status and the controls in place.

1.2 CONCLUSION

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Thurrock Council has demonstrated reasonable progress in implementing actions agreed to address internal audit recommendations.

We have reiterated recommendations where these have not yet been implemented and these are shown in the Action Plan in section 2 of this report.

1.3 LIMITATIONS TO THE SCOPE OF THE AUDIT

This review only covered audit recommendations previously made and did not review the whole control framework of the areas listed above. Therefore, we are not providing assurance on the entire risk and control framework of those areas.

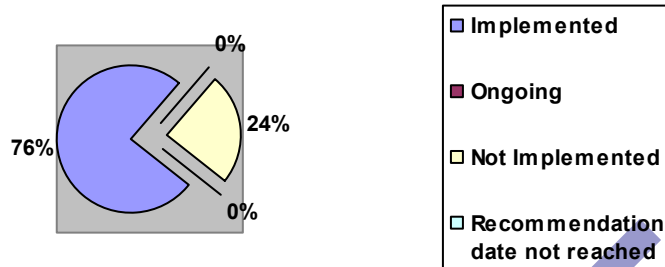
Testing was only carried out on recommendations rated High or Medium and management assurance was noted for recommendations rated as Low.

Where testing has been undertaken, our samples have been selected over the period since actions were implemented or controls enhanced.

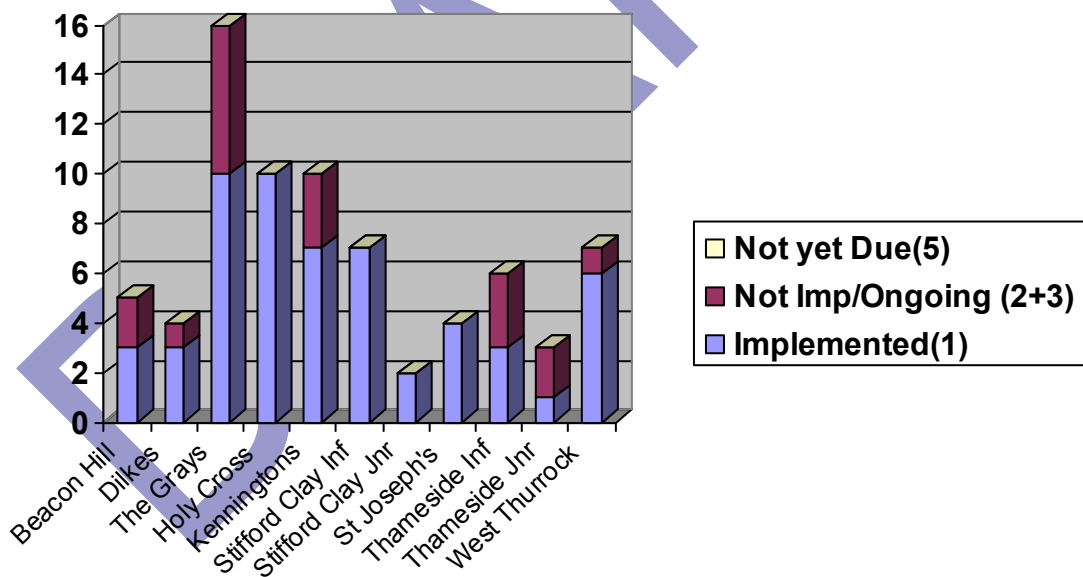
Our work does not provide any guarantee or absolute assurance against material errors, loss or fraud.

1.4 STATUS OF RECOMMENDATIONS FOLLOWED UP

The Pie Chart below provides an overview of the status of recommendations that have been followed up as part of this review.



The Bar Chart below provides an overview of the status of recommendations that have been followed up as part of this review, grouped according to audit area:



2 ACTION PLAN

The priority of the recommendations made is as follows:

Priority	Description
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.
Medium	
Low	
Suggestion	These are not formal recommendations that impact our overall opinion, but used to highlight a suggestion or idea that management may want to consider.

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
3.1	Beacon Hill School					
3.1.2	Business Interest Forms need to be updated and signed by all relevant personnel every 12 months to ensure any changes in interests are reflected.	Low	Y	As above.	June 2012	Chair/Clerk
3.1.5	Each year when the school fund is audited, the account should be presented to the Governors. They should include an income/ expenditure account. The approval of the re-appointment of the auditor should be added to the agenda and minuted.	Medium	Y	Agreed. The approval of the appointment of the auditor will be included in the agenda of the next meeting	June 2012	Finance Officer/Clerk
3.2	Dilkes Primary School					
3.2.4	The School Development Plan should cover 2012-2013 in detail, with outline plans for the next two years.	Low	Y	Governors made a decision to only have a one year plan due to a visit by Ofsted and going to Academy. There was a strategy meeting on 19 th June to discuss the next three year plan.	A.S.A.P	Head Teacher/Chair of Governors

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
3.3	The Grays School Media Arts College					
3.3.1	The Financial Regulations need to be signed by the Chair of Governors at the time of the meeting when it is approved. A signed and dated copy must be held at the school	Low	Y	This will be added to the next meeting's agenda	Spring 2012	Chair
3.3.2	The School Development Plan should cover the next 3 years, with 2012-2013 being a detailed plan and the additional 2 years an indicative plan of expected development activities and budgets. This assists the school in planning in the longer term.	Low	Y	The Bursar commented on behalf of the Head Teacher. The Head Teacher is currently writing a new plan	Summer Term	Head Teacher
3.3.5	Purchase Orders must be raised on the system and authorised by the appropriate personnel, before a requisition for goods is placed with the supplier. This is in accordance with the Financial Regulations and ensures management information reports are up to date.	Medium	Y	This will be passed to the Governors. The Finance Office have made several requests to be made aware of goods/services required in the first instance	A.S.A.P	Head/Chair
3.3.11	Petty Cash claims should be submitted to Thurrock Council either once a month or when the amount reaches £200, whichever is the sooner.	Low	Y	The Office will start sending in the claims either each month or when the amount reaches £200	Spring 2012	Bursar/Finance Officer
3.3.12	The approval of the auditor for the School Fund needs to be included in the agenda for the next Governors meeting.	Low	Y	This will be added to the next meeting's agenda	Spring 2012	GB
3.3.15	The cost price or estimated current value of equipment should be included on the inventory; All pages should be signed and dated to show when the inventory was last checked.	Low	Y	This will be passed to the Network Manager	A.S.A.P	Network Manager/Bursar

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
3.5	Kenningtons Primary School					
3.5.4	The equipment list needs to include serial numbers and where possible a value and purchase date. In addition, all new equipment should be added to the list immediately and annual checks should be carried out.	Medium	Y	Agreed. Will be updated when the school becomes an Academy.	September 2012	School Manager
3.5.5	All computer equipment should be security marked with the name and the postcode of the school, in accordance with the Financial Regulations.	Low	Y	As above	As above	School Manager
3.5.6	It is important to obtain a copy of the original contract from the payroll provider to ensure costs charged are as per the agreed contract.	Medium	Y	A new contract will be required when the school becomes an Academy	As above	Head Teacher
3.9	Thameside Infant School					
3.9.2	It is recommended that updated forms are signed by all Governors at the next Full Governing Body meeting on 26th June 2012	Low	Y	This will be added to the agenda for the next Governors meeting in June.	June 2012	Head/Governors
3.9.3	To ensure Management Information Reports are up to date with the correct commitments, it is suggested that all purchase orders are raised in the first instance.	Low	Y	Agreed	June 2012	Head
3.9.4	Internal Audit suggests that an inventory is developed, using the list from the latest safety check as a basis, This includes most of the currently used IT equipment. The ICT Co-ordinator will need to add the purchase date, value	Medium	Y	The Head agreed that the IT Manager should update the inventory	End June 2012	Head/IT Manager

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	and serial number to this listing. When new items are delivered, or old items disposed of then updates will be required to the latest list.					
3.10	Thameside Junior School					
3.10.2	To ensure Management Information Reports are up to date with the correct commitments, all purchase orders are to be raised in the first instance.	Low	Y	Agreed	From now on	Office Manager/Head Teacher
3.10.3	For each new employee, two written references should be obtained and kept in the personnel file	Low	Y	Agreed	From now on	Office Manager/Head Teacher
3.11	West Thurrock Primary School					
3.11.6	Two references must be obtained for all new employees, before they are allowed to commence their employment.	Low	Y	Agreed, System will be put in place to ensure that all requests for references are answered.	A.S.A.P	Finance Manager

3 FINDINGS AND RECOMMENDATIONS

Each recommendation followed up has been categorised in line with the following:

Status	Detail
1	The entire recommendation has been fully implemented.
2	The recommendation has been partly though not yet fully implemented.
3	The recommendation has not been implemented.
4	The recommendation has been superseded and is no longer applicable.
5	The agreed date for implementing the recommendation has not yet been reached.

3.1	BEACON HILL SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	Minutes of the governing body need to be more comprehensive to show decisions made.	Low	1/4/08	Clerk	03/12/07	1	Checked as part of audit programme.
2	Register of business interests needs to be reviewed annually.	Low	1/4/08	Chair/Clerk	03/12/07	3	After examination of the completed Register of Interest forms against the list of the current Governors, Internal Audit found one form missing and a further four were out of date.
3	Official orders need to be raised before goods are received to ensure commitments are entered on to the system	Low	1/4/08	Finance Officer	03/12/07	1	Checked as part of audit programme.
4	The petty cash account should be reconciled on a monthly basis	Low	1/4/08	Finance Officer	03/12/07	1	Checked as part of audit programme.

5	The audited accounts should be presented to the governing body each year.	Low	1/4/08	Head	03/12/07	3	Internal Audit examined the Governing Body minutes for the last 18 months, and did not find any evidence of the approval of the auditor for the school fund, or that the audited accounts were presented to them. On further examination, Internal Audit found a letter from the auditor dated 24th February 2012, stating that the account was audited, but an income/expenditure account was not produced.
3.2	DILKES PRIMARY SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	Purchase Orders must be raised in the first Instance to ensure Management Information reports are up to date.	Low	31/3/11	Bursar	17/2/11	1	Checked as part of audit programme.
2	All Purchase Orders over £5,000 which is the limit set by the Governors must be authorised according to the Fin Regs. Minutes of the meetings need to be more specific to include all relevant actions and decisions.	Low	31/3/11	Head	17/2/11	1	Checked as part of audit programme.
3	For insurance purposes an inventory needs to be in place for all classrooms.	Low	31/3/11	Bursar	17/2/11	1	Checked as part of audit programme.
4	The current three year plan needs to be updated to incorporate the next three years to ensure future budgets are in line with the school's educational priorities.	Medium	31/3/11	Head	17/2/11	3	Internal Audit examined the current School Development Plan. It is a 1 year plan for 2011-2012.

3.3	THE GRAYS SCHOOL MEDIA ARTS COLLEGE				Status Reported To Audit Committee [status / date reported]	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible		Status	Comments / Implications / Recommendations
1	The correct date should be shown on the school's Financial Regulations.	Low	1/4/10	Chair	3/12/09	1	The latest Financial Regulations were updated during October 2011 following a request from the Governing Body and included in the minutes of the meeting on 17th October. Internal Audit was not able to verify whether it had ever been signed by the Chair as the only copy in the office was unsigned and not dated.
2	The School Development Plan should cover 3 years.	Medium	1/4/10	Head	3/12/09	3	Internal Audit viewed the School Development Plan which was reviewed during June 2011. The plan covers one year from April 2010 to April 2011. The Head Teacher is currently working on a new one-year plan.
3	Quotes should be attached to orders to show value for money was obtained.	Low	1/4/10	Bursar	3/12/09	1	Checked as part of audit programme.
4	Tenders should be obtained for contracts over £30,000 in line with the school's financial regulations.	Medium	1/4/10	Bursar	3/12/09	1	Checked as part of audit programme.
5	Orders should be raised before the goods and/or invoice is received to get a commitment on the system.	Low	1/4/10	Bursar	3/12/09	3	Internal Audit examined orders raised during the financial year 2011-2012. No orders were raised with a value of over £20,000. All orders had been signed by the Head Teacher. Internal Audit noted that a total of 11 orders from the 20 randomly selected were raised after the date of the invoice. The 11 orders include 7 requisitions raised by the Facilities Manager. The requirements are passed to the supplier before an official order has been raised, and before the proper authority has been given by the Bursar or the Head Teacher.

6	Invoices must always be approved and signed by an authorised signatory in line with the school's financial regulations.	Medium	1/4/10	Head/Bursar	3/12/09	1	Checked as part of audit programme.
7	Invoices should always be paid in accordance with the agreed terms and conditions. Failure to do so could result in interest being charged for late payment.	Low	1/4/10	Bursar	3/12/09	1	Checked as part of audit programme.
8	Care needs to be taken to ensure all students sitting exams are identified to avoid late payment fees.	Medium	1/4/10	Head	3/12/09	1	Checked as part of audit programme.
9	The bank needs to be notified of the change of responsible person for the liquidity account.	Low	1/4/10	Bursar	3/12/09	1	Checked as part of audit programme.
10	Cheque books should be kept in the safe to prevent unauthorised access to them.	Low	1/4/10	Finance Officer	3/12/09	1	Checked as part of audit programme.
11	Petty cash reimbursements should be claimed more frequently to reduce the risk of the school going overdrawn.	Low	1/4/10	Bursar	3/12/09	3	The frequency of Petty Cash claims is not in line with Thurrock Council's policies. The records show only 5 claims have been made during the financial year 2011-2012, and consequently the claims being made are more than 50% of the imprest amount.
12	The appointment of the auditor for the school fund should be minuted.	Low	1/4/10	Head	3/12/09	3	Internal Audit examined the audited school fund account for year end March 2011. It was audited by Rowland Hall during Oct 2011; this was confirmed at the Resources meeting of 17th Oct 2011. The re-appointment of the auditor for the school fund has not been agreed by the Governors. This issue was highlighted in the last audit, and must be addressed before further auditing takes place.

13	Cancelled cheques should be crossed through and stapled to the cheque book to provide an audit trail.	Low	1/4/10	Finance Officer	3/12/09	1	Checked as part of audit programme.
14	Monthly reconciliations of the school fund should be countersigned by the headteacher to evidence independent review.	Low	1/4/10	Head	3/12/09	1	Checked as part of audit programme.
15	Inventories should be signed and dated following stock checks.	Low	1/4/10	Bursar	3/12/09	3	Internal Audit examined the school's inventory. The list of IT equipment dated 15th March 2012, included servers, desktops and laptops, printers and projectors. The documents contained information regarding its location in the school; it also included model and serial numbers. No price or value was included. In addition to the IT inventory there were one page documents for rooms in the school. These have not been dated and also no value has been included. Due to the lack of price/value it would be difficult to provide a basis for insurance claims if the equipment were either stolen or destroyed, which is in accordance with the Financial Regulations.
16	Passwords need to be changed termly to prevent unauthorised access.	Low	1/4/10	Head	3/12/09	1	Checked as part of audit programme.
3.4	HOLY CROSS CATHOLIC PRIMARY SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	The latest approved copy of the Financial Regulations needs to be signed by the Chair of Governors.	Low	31/3/11	Head	17/2/11	1	Checked as part of audit programme.

2	The 2009/2010 audit of the School Fund is overdue. It needs to be prepared to give to the auditor. The re-approval of the auditor by the Governing Body is required, and needs to be included in the agenda of the next meeting.	Medium	31/3/11	Office Manager	17/2/11	1	Checked as part of audit programme.
3	It is recommended that the Head Teacher initial the Bank statement to confirm the reconciliation by the Office Manager, All receipts for donations must be documented and filed correctly to enable an audit trail between income/expenditure and the bank statements.	Medium	31/3/11	Head	17/2/11	1	Checked as part of audit programme.
4	A cheque will be raised for £26.71 payable to Thurrock Council, to balance the account back to £500. All cancelled cheques must be stapled to the stub in the cheque. Petty Cash claims are to be made at least once a month or when the amount reaches 50% of the imprest level, to ensure the bank account does not go into overdrawn status.	Medium	31/3/11	Office Manager	17/2/11	1	Checked as part of audit programme.
5	Purchase orders must be raised in the first instance and before any invoices are raised. This will ensure Management Information Reports are up to date. All purchase orders must be filed in correct number order.	Low	31/3/11	Office Manager	17/2/11	1	Checked as part of audit programme.

6	Invoices and any quotes obtained need to be filed with the purchase order, in purchase order number order. All invoices must be submitted to Thurrock Council for payment within the time limit specified on the invoice, to maintain good relationships with suppliers.	Medium	31/3/11	Office Manager	17/2/11	1	Checked as part of audit programme.
7	Payments should not be made against copy invoices. If an original is lost, every step must be taken to ensure the original invoice has not already been paid.	High	31/3/11	Office Manager	17/2/11	1	Checked as part of audit programme.
8	The ICT inventory needs to be updated and include serial numbers and value and where situated in the school. A new inventory is required to include all valuable items and portable items, which are not included on the IT inventory.	Medium	31/3/11	Head	17/2/11	1	Checked as part of audit programme.
9	Three written quotes must be obtained for any order valued £5,000 or above, according to section 4.2 of the Fin Regs.	Low	31/3/11	Head	17/2/11	1	Checked as part of audit programme.
10	Log on passwords need to be altered more frequently, a recommendation would be once a term.	Low	31/3/11	Head	17/2/11	1	Checked as part of audit programme.

3.5	KENNINGTONS PRIMARY SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	The approval of the auditor for the school fund needs to be recorded in the GB minutes. The School Fund account should be passed to the auditor within a reasonable time following the financial year. A record of the presentation of the audited accounts to the Governors needs to be included in the GB minutes. The GB minutes need to be more detailed, and include all items discussed. They should show the actions required and by whom.	Medium	31/3/11	Head	17/02/11	1	Checked as part of audit programme.
2	All Governors with out of date or non-existent forms are required to complete and sign and either forward to the school, or present at the next GB meeting.	Low	31/3/11	Office Manager	17/02/11	1	Checked as part of audit programme.
3	Purchase orders should be raised at the start, before an invoice is due; to ensure management information reports are up to date.	Low	31/3/11	Office Manager	17/02/11	1	Checked as part of audit programme.

4	Serial numbers need to be included in the inventory.	Low	31/3/11	Office Manager	17/02/11	3	The Equipment Register List has not been updated since it was produced from the system in January 2011. During the last audit a recommendation was made to include the serial number, but this has not been carried out. Recently purchased laptops have not been included in the register
5	All computer equipment is to be security marked with the name and the postcode of the school.	Low	31/3/11	Office Manager	17/02/11	3	Internal Audit verified with the School Manager that computer equipment is not being marked. This was highlighted in the last audit.
6	Obtain a copy of the original contract to ensure costs charged are as agreed.	Low	31/3/11	Office Manager	17/02/11	3	Internal Audit reviewed the last audit report, where a recommendation was made to obtain a copy of the original contract from Strictly Education. This has still not been carried out, and according to the School Manager several requests have been made to them but without success.
7	Orders over £10,000 must be authorised by the Governing Body. Evidence required is a signature on the purchase order or inclusion in the GB minutes.	Low	31/3/11	Head	17/02/11	1	Checked as part of audit programme.
8	Bank paying-in slips should be filed in order. They should be collated by month, and placed in proper envelopes. SM2 forms must be completed with all amounts included.	Medium	31/3/11	Office Manager	17/02/11	1	Checked as part of audit programme.

9	Arrears letters should be sent out after 2 days and a more severe letter after a week. It is recommended that once the arrears have reached £17 (two weeks), the school should contact the parents to ensure the child brings in a packed lunch until the debt is paid.	Medium	31/3/11	Head	17/02/11	1	Checked as part of audit programme.
10	A 3-year plan for 2011-2014 needs to be produced, and include a detailed plan for 2011--2012. This should be updated every year, in line with the budget.	Medium	31/3/11	Head	17/02/11	1	Checked as part of audit programme.
3.6	STIFFORD CLAYS INFANT SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	Petty cash account reconciliations should be completed on a monthly basis, signed by the Finance Officer and the Headteacher.	Low	31/3/11	Head Finance Officer	17/2/11	1	Checked as part of audit programme.
2	Petty cash forms should state the correct amount of VAT. Only purchases up to the value of £60 can be made through petty cash.	Low	31/1/11	Head Finance Officer	17/2/11	1	Checked as part of audit programme.
3	The approval of purchase orders should be in line with the limits defined in the school's Financial Regulations.	Medium	31/1/11	Head Finance Officer	17/2/11	1	Checked as part of audit programme.

4	Confirmation that goods and services have been received should be attached to the corresponding invoices. If no delivery note is available, the confirmation can take form of a note on the invoice or order stating who confirmed the delivery and when.	Low	31/1/11	Head Finance Officer	17/2/11	1	Checked as part of audit programme.
5	In addition to the current information, the school's inventory register should contain the following details: <ul style="list-style-type: none"> ▪ purchase price, ▪ disposal details, where applicable: date, authorisation, reason and proceeds, if any. Annual checks of inventory should be documented, signed and dated by the person who carried out the check and then passed to the Headteacher for review and signature.	Low	31/1/11	IT Co-ordinator	17/2/11	1	Checked as part of audit programme.
6	Inventory disposals should be authorised in writing according to the limits stated in the school's financial regulations, and documentation of the disposals should be retained.	Low	31/1/11	Head	17/2/11	1	Checked as part of audit programme.
7	For every new employee at the school, two references must be obtained and kept in the personnel file.	Medium	31/1/11	Head	17/2/11	1	Checked as part of audit programme.

3.7	STIFFORD CLAY JUNIOR SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	Business Interest forms must be completed by all Governors and renewed every year, as specified within the Fin Regs.	Low	31/7/11	Head/Clerk	10/11/11	1	Checked as part of audit programme.
2	Petty Cash claims should be made either every month or when the amount reaches £200, whichever is the sooner, in accordance with the Fin Regs. This will ensure the bank account does not go overdrawn which could result in additional charges.	Low	31/7/11	Head Personnel and Finance Officer	10/11/11	1	Checked as part of audit programme.
3.8	ST JOSEPH'S CATHOLIC PRIMARY SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	Official orders need to be raised before goods are received to ensure commitments are entered on to the system	Low	1/4/08	Office Manager	3/12/07	1	Checked as part of audit programme.
2	VAT should be identified separately on petty cash claims so it can be reclaimed.	Low	1/4/08	Office Manager	3/12/07	1	Checked as part of audit programme.
3	New equipment must be security marked to identify the school as the owner if it is lost or stolen.	Low	1/4/08	Office Manager	3/12/07	1	Checked as part of audit programme.

4	Passwords need to be changed termly to prevent unauthorised access.	Low	1/4/08	Head	3/12/07	1	Checked as part of audit programme.
3.9	THAMESIDE INFANT SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	The Fin Regs should be reviewed and approved by the Governing Body on an annual basis. They should be dated and signed by the Chair of Governors following each review.	Low	31/7/11	Head	6/4/11	1	Checked as part of audit programme.
2	Ensure that when the Governors attend the next meeting the Register of Business Interest Forms' are completed.	Low	31/7/11	Head	6/4/11	3	Internal Audit examined the Register of Business Interest forms. They have been completed by all Governors, but not in the last 12 months.
3	Purchase Orders need to be raised when goods/services are requested to ensure a commitment is generated on the system and management reports are kept up to date.	Low	31/7/11	Head	6/4/11	3	Internal Audit selected a sample of 20 invoices recently paid by the school and traced them to supporting documents in order to verify how they were ordered and authorised. A purchase order generated by the school's FMS system was present in all cases; 18 purchase orders were signed by the Head Teacher, 2 were signed by the Deputy Head. Internal Audit verified that 17 out of the 20 purchase orders had been raised correctly. In the other cases 3 were raised after the date of the invoice.

4	<p>The ICT inventory needs to be updated to reflect all of the computer equipment, not just the newly purchased items to ensure a full inventory is retained.</p>	Low	31/7/11	Head	6/4/11	3	<p>Internal Audit reviewed the inventory register currently in place at the school.</p> <p>The inventory is not maintained in accordance with the Financial Regulations. It does not provide a basis for insurance cover and claims if equipment is damaged or destroyed.</p> <p>The ICT Co-ordinator does not add new equipment to the current listing, but draws up another sheet,</p>
5	<p>Virements forms over £5,000 must be authorised by either the Finance Committee or the full Governing Body, depending on the amount. It was suggested for urgent cases when a signature is not possible that authorisation is initially given by way of Chairman's action through an e-mail. All forms over £5,000 can then be signed by the Headteacher, with the relevant Chair signing when they are available.</p>	Low	31/7/11	Head	6/4/11	1	<p>Checked as part of audit programme.</p>

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6	The School Improvement Plan needs to be updated to cover the next three years 2011-2014, with a detailed one year plan, and outline costs for the following two years.	Low	31/7/11	Head	6/4/11	1	Checked as part of audit programme.
3.10	THAMESIDE JUNIOR SCHOOL				Status Reported To Audit Committee	FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	[status / date reported]	Status	Comments / Implications / Recommendations
1	Business Interest forms should be completed each year, by all members of the Governing Body.	Low	31/7/11	Head	6/4/11	1	Checked as part of audit programme.
2	Purchase Orders need to be raised when goods/services are requested to ensure a commitment is generated on the system and management reports are kept up to date.	Low	31/7/11	Finance Manager	6/4/11	3	Internal Audit verified that 10 out of the 20 purchase orders had been raised after the date of the invoice. Nine purchase orders were raised only a few days after, but one was a month after its invoice date
3	Two references should be sought with copies kept in the files for all new employees.	Low	31/7/11	Head	6/4/11	3	For teaching staff, Internal Audit found evidence that their qualifications had been verified. Two references had only been found in two of the five employees tested. Two files had one reference only with a note stating a verbal reference was accepted. One file did not have any written references.
3.11	WEST THURROCK PRIMARY SCHOOL				Status Reported To Audit Committee	FINDINGS	
					[status / date		

Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	reported]	Status	Comments / Implications / Recommendations
1	The school's Financial Regulations should be amended to clearly show the correct purchase order authorisation limits, including those of the Deputy Head.	Low	31/3/11	Head, Finance Manager, Governors	6/4/11	1	Checked as part of audit programme.
2	All purchase orders should be approved according to the limits stated in the school's Financial Regulations.	Medium	31/3/11	Head, Finance Manager	6/4/11	1	Checked as part of audit programme.
3	All purchase invoices should be appropriately signed as authorised for payment before being sent to the Council for processing. The school should keep copies of the signed invoices.	Low	31/3/11	Head, Finance Manager	6/4/11	1	Checked as part of audit programme.
4	When annual inventory checks are carried out, the copies of the register used for these should be signed and dated by the person performing the check, then reviewed and signed off by the Headteacher.	Low	2011/12	Head, Deputy Head, Finance Manager	6/4/11	1	Checked as part of audit programme.
5	All inventory disposals should be recorded promptly in the inventory register and signed as authorised by the Headteacher if their value is below £250 and by the Finance Committee if above this level.	Low	31/3/11	Head Finance Manager, Governor s	6/4/11	1	Checked as part of audit programme.

6	Two references must be obtained for all new employees. Where enough references cannot be obtained, the Headteacher should document the reasons why this was the case, the action taken to address it, and the reasons why the candidate was judged suitable. A copy of the letter of appointment should be kept.	Medium	31/3/11	Head, Finance Manager	6/4/11	3	Internal Audit found that all the personnel files of the sample selected earlier, contained the following: 1. Contract of Employment. 2. Signed application letter. 3. Evidence of CRB clearance. 4. Qualifications where applicable. In two of the cases, references had been requested but have not been received.
7	The school should keep a record of action taken to recover debts owed to it.	Low	31/3/11	Head, Finance Manager, Governor s	6/4/11	1	Checked as part of audit programme.

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APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing recommendations.

This opinion relates solely to the implementation of those recommendations followed up and not does not reflect an opinion on the entire control environment.

Progress in implementing recommendations	Overall number of recommendations fully implemented	Consideration of fundamental recommendations	Consideration of significant recommendations	Consideration of merits attention recommendations
Good	75% +	None outstanding	None outstanding	All merits attention recommendations outstanding are in the process of being implemented
Adequate	51 – 75%	None outstanding	75% of significant recommendations made are in the process of being implemented	75% of merits attention recommendations made are in the process of being implemented
Little	30 – 50%	All fundamental recommendations outstanding are in the process of being implemented	50% of significant recommendations made are in the process of being implemented	50% of merits attention recommendations made are in the process of being implemented
Poor	< 30%	Unsatisfactory progress has been made to implement fundamental recommendations	Unsatisfactory progress has been made to implement significant recommendations	Unsatisfactory progress has been made to implement merits attention recommendations.

APPENDIX B: DATA TO SUPPORT OUR OPINION

IMPLEMENTATION STATUS BY REVIEW

Review	Total No. of recs agreed.	Status of Recommendation					Audit work confirmed as completed or no longer necessary (1)+(4)	No of recs carried forward for follow up at next review (2)+(3)+(5)
		Recs. not due for implementation (5)	Implemented (1)	Implementation Ongoing (2)	Not Implemented (3)	Superseded (4)		
Beacon Hill School	5	0	3	0	2	0	3	2
Dilkes Primary School	4	0	3	0	1	0	3	1
The Grays School Media Arts College	16	0	10	0	6	0	10	6
Holy Cross Catholic Primary School	10	0	10	0	0	0	10	0
Kenningtons Primary School	10	0	7	0	3	0	7	3
Stifford Clays Infant School	7	0	7	0	0	0	7	0
Stifford Clays Junior School	2	0	2	0	0	0	2	0
St Joseph's Catholic Primary School	4	0	4	0	0	0	4	0

Review	Total No. of recs agreed.	Status of Recommendation					Audit work confirmed as completed or no longer necessary (1)+(4)	No of recs carried forward for follow up at next review (2)+(3)+(5)
		Recs. not due for implementation (5)	Implemented (1)	Implementation Ongoing (2)	Not Implemented (3)	Superseded (4)		
Thameside Infant School	6	0	3	0	3	0	3	3
Thameside Junior School	3	0	1	0	2	0	1	2
West Thurrock Primary School	7	0	6	0	1	0	6	1
Total	74	0	56	0	18	0	56	18
	100%	0%	76%	0%	24%	0%	76%	24%

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IMPLEMENTATION STATUS OF RECOMMENDATIONS BY CATEGORY

Recommendation Category	Total number of reccs agreed.	Audit Status					Audit work confirmed as completed (1)+(4)	No of reccs carried forward to next review (2)+(3)+(5)
		Reccs. not due for implementation (5)	Implemented (1)	Being Implemented (2)	Not Implemented (3)	Superseded (4)		
High	1	0	1	0	0	0	1	0
Medium	16	0	14	0	2	0	12	2
Low	57	0	41	0	16	0	38	16
Totals	74	0	56	0	18	0	56	18
	100%	0%	76%	0%	24%	0%	76%	24%

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