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CONTROLS TEST PROGRAMME

Organisation	London Borough of Croydon	R 1
Type of Audit	Schools	S1
Audit Subject	Schools	SCHOOLS
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Prepared By :

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Organisation Croydon
 Type Schools
 Unit Schools
 Subject **Control Testing Work Programme**

Period 2014/15

Author

Date

Reviewed by

Date

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Governance and Leadership [01]

Ref Key	Control Process	Testing Procedure	Done by Date	Result
01.01.01	<p>Induction / Training for New Governors The staff and governors have a shared understanding of their own financial management roles and responsibilities and those of others.</p> <p>Support and guidance is available to all Governing Body members via the Local Authority's Governor Services team.</p>	<p>1) Obtain evidence that governors have been provided adequate guidance and that their roles and responsibilities have been explained. This may be highlighted in an induction pack or similar.</p> <p>2) Assess the financial aspects of the induction information available</p> <p>This should include:</p> <ul style="list-style-type: none"> - The scheme for financing schools - School's Scheme of Delegation - Budget - Governor's guide to School Governance - School Development Plan - Evidence that Governors have been made aware of available training 		
01.01.02 Key	<p>Responsibilities of Finance Committees defined Governing bodies have the power to set up committees. Each of the committees set up will have specific designated powers within the scope of their documented and agreed terms of reference.</p>	<p>1) Check whether the Governing Body have set up committees and obtain details of the Finance (or equivalent) committees composition and terms of reference to establish whether these clearly define the responsibilities designated to the committee, e.g. financial limits for authorisation of expenditure and virements, quorum, frequency of meetings etc.</p> <p>2) Check that minutes of the Finance committees (or Governing Body if not delegated) make adequate reference to budget monitoring, budget setting, authorisation of higher value purchases or projects,</p>		Finance or equivalent committee only

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		cheque signatories, recruitment & staff emoluments (Payroll & Personnel authorisations). There should be an appropriate record of documents presented to these meetings and copies of such documents should be held with the minutes, e.g. Budget monitoring reports.		
01.01.03 Key	<p>Approved Scheme of Delegation</p> <p>The roles and responsibilities of the governing body, any committees, the head teacher and other members of staff in relation to financial decision making and authorisation should be set out in writing within a Scheme of Delegation. (The scheme of delegation may also incorporate the terms of reference of the committees of the governing body.)</p> <p>The Scheme of Delegation should document those officers who have been delegated authority to authorise expenditure, virements, etc. If authority has been delegated to curriculum or departmental staff for the certification of ordering and payment, then a list the names and sample signatures of current budget holders should be included within the Scheme.</p>	<p>Obtain a copy of the school's Scheme of Delegation.</p> <p>(Note that this <u>may</u> be the terms of reference for the committees or contained within the finance policy/manual).</p> <p>Confirm that:</p> <ol style="list-style-type: none"> 1) The document has been approved by the full Governing Body and has been reviewed by the Governing Body annually. 2) The roles and responsibilities of the governors, committees, head teacher and other relevant members of staff have been clearly defined in relation to financial decision making and administration. 3) Financial limits are specified and also the different levels at which value for money is evidenced i.e. value for tenders or value for written quotes to be retained. 		
01.01.04 Key	<p>Documented Financial Procedures available</p> <p>Schools have many systems for processing and recording financial transactions, including governance, purchasing, payroll, contracting services, payroll and income collection. Control over these systems is fundamental in protecting the school from financial loss and fraudulent activity. The outputs of the various systems provide governors with invaluable information regarding the performance of the school.</p> <p>The Governing Body should therefore ensure that the school is working within documented and approved financial procedures in order to provide a effective framework within which the school's financial affairs are administrated.</p>	<p>Obtain a copy of the financial procedures within which the school is operating. (If staff confirm that they work to the LA's finance manual, do not take a copy of the document - it is huge!).</p> <p>Verify that:-</p> <ol style="list-style-type: none"> 1) The School has detailed procedure notes covering all financial systems and procedures. 2) The records are up to date and that there is evidence of periodic review. 3) The financial policy has been approved for 		

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		<p>adoption by the full Governing Body (this should be documented within the minutes of the relevant meeting).</p> <p>4) The School has access to the 'Scheme for Financing Schools' (via the Council's intranet).</p>		
01.02.01	<p>Register of Pecuniary Interests and declarations of interests held In compliance with the School Standards and Framework Act 1998, declarations of pecuniary interests should be held for all members of the Governing Body. As a matter of best practice, it is also advisable to obtain declarations from the Head teacher and other staff who are able to influence financial decisions. The Register forms an integral part of the school's system of financial control and as such should be held on site and made available for inspection by the Authority, Governors, Staff and parents.</p>	<p>Confirm that:</p> <p>1) the school holds a register of pecuniary interests for governors, which lists any business interests they or members of their immediate family have;</p> <p>2) the Register includes the head teacher and any other staff who influence financial decisions;</p> <p>3) the Register is open to examination by governors, staff, parents and the LA;</p> <p>4) there is evidence of an annual review and that the register is up to date; and</p> <p>5) the agendas of each Governing Body or committee meetings include a standing item for declarations of interests to be raised.</p>		
01.02.02	<p>Schools Financial Value Standard (SFVS) has been completed and action is taken to address weaknesses</p> <p>The standard consists of 23 questions which governing bodies should formally discuss annually with the head teacher and senior staff.</p> <p>The questions which form the standard are in sections A to D. Each question requires an answer of Yes, In Part, or No.</p> <p>If the answer is Yes, the comments column can be used to indicate the main evidence on which the governing body based its answer.</p> <p>If the answer is No or In Part, the column should contain a very brief summary of the position and</p>	<p>1) Obtain evidence of the minutes from the Governors meeting at which the SFVS was discussed and agreed.</p> <p>2) When the question to the answer is YES, identify whether there is evidence provided on which the governing body based its answer.</p> <p>3) When the answer to the question is IN PART OR NO, identify whether there is a brief summary of the position and proposed remedial action.</p> <p>4) Identify whether the School had completed and submitted the SFVS to their local authority by 31 March 2014(and annually thereafter).</p>		

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	<p>proposed remedial action.</p> <p>In Section E, governors should summarise remedial actions and the timetable for reporting back. Governors should ensure that each action has a specified deadline and an agreed owner.</p> <p>The governing body may delegate the consideration of the questions to a finance or other relevant committee, but a detailed report should be provided to the full governing body and the chair of governors must sign the completed form.</p> <p>The school must send a copy of the signed standard to their local authority's finance department.</p> <p>There is no prescription of the level of evidence that the governing body should require. The important thing is that governors are confident about their responses.</p>	<p>5) Based on the results of the audit, refer to self-assessment and determine if the self-assessment accurately portrays the risks of the school.</p>		
01.02.03	<p>Internal Audit recommendations reported to Governing Body</p> <p>The Schools Financial Value Standard (SFVS) Question #18 requires the Governing Body to ensure there are no outstanding matters from audit reports or from previous consideration of weaknesses.</p>	<p>Establish when the school's last Internal Audit was. Through enquiry and examination of relevant documentation, establish when the report had been presented to the Governing Body and whether the risks have been cleared.</p>		
01.02.04	<p>Whistleblowing procedures in place and communicated</p> <p>Schools and their parent LAs are covered by the Public Interest Disclosure Act 1998 which added legal backing to the Nolan proposals. To quote from the Act itself, it is., "An Act to protect individuals who make certain disclosures in the public interest; to allow such individuals to bring action in respect of victimisation; and for connected purposes."</p> <p>Following on from the Act, each LA has developed its own Whistle Blowing policy to provide protection for individuals who disclose malpractice and wrongdoing. This policy will apply to the school and it would be appropriate for the governing body to consider the LAs policy and</p>	<p>1) Establish whether the school has details of the LA whistle blowing policy for schools.</p> <p>Where the School has formulated and adopted it's own whistle blowing policy check that this covers the following:</p> <ul style="list-style-type: none"> - How/method to raise concerns - Independent point of disclosure (i.e. someone not involved in the management of the School) - Guarantee of anonymity <p>2) Assess the arrangements that are in place to make sure that staff are aware of it.</p>		

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	<p>endorse procedures for school staff and ensure its staff are made aware of its existence. In particular, they should be made aware of:</p> <ul style="list-style-type: none"> * The categories of staff to who the protection is available * The areas of malpractice and wrongdoing that are covered; * The routes available within the LA for raising issues. <p>(Note - the School may adopt its own whistle blowing procedures.)</p>			

Financial Planning, Budgetary Control and Monitoring [02]

Ref Key	Control Process	Testing Procedure	Done by	Date	Result
02.01.01 Key	<p>Appropriate Budget Setting Procedures</p> <p>There should be an adequate framework that will ensure an appropriate budget is prepared and approved prior to commencement of the financial year. Effective budget setting should incorporate the following factors:</p> <ul style="list-style-type: none"> * all income sources & basis of funding from LEA * project expenditure and income as identified in SDP <p>The annual budget should be formally approved by the full Governing Body.</p> <p>The Schools Financial Value Standard (SFVS) Question #14 requires that balances are at a reasonable level and that the school has a clear plan for using money it plans to hold in balances at the end of each year.</p>	<p>1) Through discussion with the Head teacher and the examination of budget plans establish whether all factors were taken into account. For example, standards fund, lettings income etc. This should be based on the best and most complete information available (e.g. Actual and projected pupil numbers and notifications of funding levels).</p> <p>2) Establish whether budget plans are reasonable. For example, is the total allocated to teaching staff appropriate (can be established through estimate of annual salary charges from payroll records).</p> <p>If a prior year deficit existed, there should be a definite plan to eliminate this and this plan should be agreed by the Local Authority. Similarly the School should not have excessive surplus balances.</p> <p>3) Check that the School has a clear plan for using money held in balances in order to get the best possible value from the budget.</p> <p>4) Check that budget plans were approved by the Governing Body - this should be documented within the minutes of the relevant meeting – and was submitted to the Council by 31 May of that year.</p>			
02.01.02	<p>Budget correctly updated to SIMs/Schools Financial System</p> <p>The school's approved budget as agreed with the Council and the Governing Body should be correctly input to SIMS.</p>	<p>1) Obtain a documented copy of the school's approved budget and reconcile 5 of the main budget headings to the budget set up on SIMS (using the Chart of Accounts Review - Cost Centre</p>			

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		<p>Report), to gain assurance that the budget has been entered correctly and that no unauthorised virement(s) have occurred.</p> <p>2) Confirm that the budget has been 'fixed' (Original budget column).</p> <p>Note: Obtain the school's Annual Budget Listing - By Ledger Code report and a copy of the Chart of Accounts Listing Report.</p>		
02.02.01	<p>Appropriate financial competencies of Governors and staff</p> <p>Schools Financial Value Standard (SFVS) Question #1 requires that the governing body and senior staff have adequate financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money.</p> <p>SFVS Question #2 requires that the finance committee chair is appropriately experienced in financial skills and management.</p>	<p>1) Through enquiry of staff and examination of any relevant documentation held, establish how:</p> <p>a) The school has assessed (i) Staff with financial responsibilities; (ii) All members of the Governing Body; and (iii) All members of the Finance Committee.</p> <p>(Refer to the Department of Education website for a financial management skills matrix for governors under the 'Additional Resources' in the 'Support Notes' section of the DfE SFVS webpages.)</p> <p>2) Obtain the most recent Ofsted report and ascertain whether there are any adverse finance issues.</p> <p>3) Assess through discussion whether staff with financial management responsibilities have received appropriate training</p>		
02.02.02 Key	<p>Budget Monitoring Procedures</p> <p>Monitoring procedures should be appropriate for the value of the resources being managed and there should be overall control over expenditure. This may be achieved by the following:</p> <ul style="list-style-type: none"> * Preparation of monthly budget monitoring reports from the school's financial accounting system * Established reporting lines (i.e. Finance Committee, Governing Body, etc..) * Established cycle of reporting (e.g. monthly, six- 	<p>1) Obtain copies of the budget monitoring reports used by the Headteacher and the Governors and comment on the appropriateness of these.</p> <p>2) Confirm that the budget is regularly monitored by the Head Teacher on a monthly basis and quarterly by the Finance Committee or Governing Body.</p> <p>3) Confirm whether the Governing Body have been made aware of significant variances in the Year End</p>		

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	<p>weekly)</p> <ul style="list-style-type: none"> * Clear roles/responsibilities regarding the monitoring of income and expenditure * Records of corrective action taken <p>The Schools Financial Value Standard (SFVS) Question #4 requires the the Governing Body receives clear and concise monitoring reports of the school's budget position at least three times a year.</p> <p>SFVS Question #11 requires that variances in the end year outturn and year end outturn are reported to the Governing Body in a timely manner.</p>	<p>reports.</p> <p>4) Review the monitoring reports and obtain explanations for any significant variances (over or under spending). Establish whether appropriate remedial action is being taken. Comment on the school's overall financial position.</p> <p>5) Obtain from SIMS the Budget Audit Trail report for virements and test the operation and approval of budget virements for a sample of 5 virements, to ensure that approval is in accordance with the school's Scheme of Delegation. Through discussion with the Head teacher establish why these were not included in the initial budget.</p> <p>6) Identify from the Headteacher the extent of formal delegation for managing the school's budget e.g. responsibility delegated to curriculum budget holders and confirm that any delegated budget holders receive regular and appropriate updates regarding their expenditure and remaining available funding.</p>		

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Payroll [03]

Ref Key	Control Process	Testing Procedure	Done by	Date	Result
03.01.01	<p>Correct Payments and staff structure</p> <p>The headteacher should maintain a list of staff employed, which includes their up to date pay rates. Regular spot checks should be carried out by the Head Teacher to ensure that payments made are appropriate and accurate. Checks should ensure that only persons employed at the school are paid by the school and that the amounts paid are correct.</p> <p>Schools Financial Value Standard (SFVS) Question #7 requires that the staffing structure should be described in an open document for all staff to see.</p>	<p>1) Check the payroll listing against independent evidence against the current staff structure (or if not available alternatively: Class registers, school brochure). (Note source of evidence used for verification and ascertain explanations for any variances highlighted.)</p> <p>2) Check whether the staff structure is accessible for all staff to see. It should be clear and accurate, and identify roles and responsibilities attached to posts (i.e., on web, Notice Board, etc.).</p> <p>3) Through enquiry and examination of appropriate documentation establish when the Schools staffing structure was last reviewed by the Governing Body/Personnel Committee.</p> <p>3) Check to confirm that there is documentary evidence that the Headteacher (or their authorised representative) undertakes regular spot checks to ensure that payments made are appropriate and accurate. Establish what action would be taken should a discrepancy be noted during the review of payroll data.</p> <p>4) Examine the payroll, disbursement account records and school fund records for awards/ex gratia payments and check for validity and proper authorisation.</p>			
03.02.01	<p>Appointments and Terminations are properly administered</p> <p>There should be an adequate framework that would ensure that all appointments/terminations are necessary and comply with the school's policy and</p>	<p>Select a sample of 3 (*) starters & 5 (*) leavers from the period under review and establish whether:</p>			

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	statutory requirements.	<p>1) Starters:</p> <p>a) The posts were advertised</p> <p>b) The shortlisting and interview panels consisted of the same officers, one of whom was trained in child protection.</p> <p>c) Evidence is available of the panels' notes.</p> <p>d) (i) Two references from a recent employment were taken, (ii) These are on file and (iii) Are sufficient to justify the appointment (i.e. no concerns or improper occurrences were highlighted, but ignored and the individual hired anyway). (iv) Obtained in advance of appointment being offered.</p> <p>e) Evidence of the right to work in the UK and proof of identification was obtained prior to any offer of employment.</p> <p>f) Barred list (formerly List 99) check carried out prior to employment</p> <p>g) DBS (formerly CRB) check carried out in a timely manner (Form should be completed)</p> <p>h) Compare starting salary to payroll records (PFIS) for accuracy, i.e. after statutory deductions.</p> <p>Note: The DBS check should be an enhanced employers copy.</p> <p>Where there any omissions the audit report will automatically result in a limited audit report.</p> <p>2) Leavers:</p> <p>a) Confirm that leaving date agrees with</p>		

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		correspondence, i.e. resignation letter/termination notice b) Confirm that the leavers sampled have been correctly removed from payroll		
03.03.01 Key	Pay Policy and procedures are appropriate The Governing Body should establish procedures for the administration of personnel activities including appointments, terminations and promotions. School pay policy must be annually approved by the Governing Body.	Check with the Headteacher whether there is a School Pay Policy and whether it has been annually approved by the Governing Body. Obtain a copy of the document and review the Governing Body minutes to identify and document the date of approval.		
03.03.02	Personnel records are held securely The Head Teacher should ensure that only authorised staff have access to personnel files.	Establish whether personnel records are held securely and that only authorised officers have access to those files. Comment on whether officers are aware of the need for confidentiality.		
03.03.03	A central DBS register is maintained by the School. A centralised record DBS checks for all staff employed at the School should be maintained. This should detail: - All staff employed - Governors - When DBS checks were undertaken - renewal dates - List 99 checks The School should also consider the use of agency/temporary staff.	1) Establish whether the School maintains a central DBS register. 2) Examine the document and identify whether: a) DBS checks are up to date (renewed in the past three years) c) Governors have been DBS registered. (Note: Obtain a copy of the DBS register without personal data included. Hide columns of personal data on Excel before printing.)		

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Procurement [04]

Ref Key	Control Process	Testing Procedure	Done by	Date	Result
04.01.01	<p>Official orders are raised and appropriately authorised Official orders should be raised on SIMS, in order to commit the expenditure on the school's accounting system. All orders should be appropriately authorised by a certifying officer and a signed copy of the official order should be retained on file.</p>	<p>Obtain a copy of the Bank History Report from SIMS, detailing all transactions since the last audit. Using this report, select a random sample of 15 payments (Where necessary: - 3 of these should relate to contract payments, i.e. Grounds Maintenance, Catering, Cleaning etc - select any significant or repeated payments to individuals - Include high value purchases in your sample) and perform the following test:</p> <p>1) Check that orders are appropriately certified preferably by the Head teacher or a Senior Member of staff who has been approved by the Governing Body or Head Teacher, in compliance with the Financial Policy or the Scheme of Delegation.</p> <p>2) Check that, where necessary, that approval from the Governing Body or Finance Committee has been obtained.</p>			
04.01.02	<p>All orders are appropriate for the school All major purchases should be in accordance with the 'Schools Development Plan' and all other purchases should be appropriate for the needs of the school.</p>	<p>For the sample of purchases tested (refer to test 04.01.01) establish whether all transactions tested are for goods and services that are reasonable for the use of the school, (i.e. Orders are only used for goods and services provided to the school.) Individuals must not use official orders to obtain goods or services for private use. School funds must not be used to buy gifts or provide benefits in kind for staff members.</p> <p>Check the sample of purchases selected for testing to check that there is no evidence of goods being ordered</p>			

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		for the private use of employees.		
04.01.03	<p>Written Orders are used and are raised in advance of purchases being initiated</p> <p>Official pre-numbered orders should be used for all goods and services except utilities, rents, rates and petty cash payments. Where urgency requires an oral order this should be confirmed by a written order.</p>	<p>For the sample of transactions tested (refer to test 04.01.01), establish whether</p> <ol style="list-style-type: none"> 1) official pre-numbered orders are used for all goods and services except utilities, rents, rates and petty cash payments. 2) orders are raised in advance of purchases being initiated <p>Where urgency requires an oral order this should be confirmed by a written order.</p>		
04.01.04	<p>All goods ordered are received by the school</p> <p>Delivery notes should be checked to the goods/services received and evidenced as such by the officer checking the quality and quantity of the goods, before any invoice is paid. The officer checking the goods/services received should be independent of the person responsible for the administration of orders and payments.</p> <p>Note: Where delivery notes are not obtained, the goods/services received check should be evidenced on the invoice.</p>	<p>For the sample of transactions tested (refer to test 04.01.01), establish whether appropriate goods/services received checks have been evidenced. (This person should not be not the same person that administrates the orders and payments on SIMS/RM Finance.)</p>		
04.01.05	<p>Appropriate supporting documentation is available</p> <p>All expenditure is supported by a valid receipt or invoice from the supplier.</p>	<p>For the sample of transactions tested (refer to test 04.01.01), establish whether:</p> <ol style="list-style-type: none"> 1) A valid receipt or invoice is held from the supplier for each transaction. The invoice should be addressed to the school and show adequate description of the goods or services purchased. Where VAT has been charged by the supplier, check that the invoice or receipt is valid for VAT purposes (refer to the VAT Guide for Schools for further information). 2) Check that the calculations on the invoice are correct and that the payment made agrees to the documented value on the invoice. 		
04.01.06	<p>Appropriate Authorisation of Invoices</p> <p>All invoices should be appropriately authorised.</p>	<p>For the sample of transactions tested (refer to test</p>		

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	The school should maintain a list of authorised signatories, which documents their respective financial limits.	04.01.01), establish whether: 1) All invoices within the sample tested are appropriately authorised. (Note: In some cases Governing Body or Finance Committee approval may be needed).		
04.02.01	Value for money is demonstrated The school should always consider price, quality and fitness for purpose when purchasing goods and services. Procedures for obtaining alternative quotations or putting contracts out to tender should be documented within the school's Financial Policy (or Purchasing Policy). All policies should comply with the Council's standing orders and financial regulations for schools.	For the sample of purchases tested, verify that alternative estimates (either quotes or tenders) have been obtained for all items of major expenditure in line with the school's Financial Policy and the Council's financial regulations. (note: Website print offs are sufficient to demonstrate market testing).		
04.03.01	Records are appropriately stored The School should be maintaining proper accounting records throughout the year	Verify that these records are being stored securely and in accordance with LA requirements.		
04.04.01	Comparison of performance to enable improvement The governors and the staff should have compared the school's performance with that of similar schools, examining reasons for differences and taking action where required.	Establish whether the School has carried out a benchmarking exercise and if so, the methods used to achieve this. 1) Obtain evidence of usage of a benchmarking website (or similar tool used) which allows a comparison of performance with other schools. 2) Consider whether the schools used for comparison are reasonable and suitable. 3) Verify that the benchmarking process has identified areas for improvement, and set targets for these improvements. 4) Verify that the benchmarking exercise had been completed for income and expenditure. 5) Ascertain whether these findings have been discussed with the school Governing Body/ Finance Committee.		
04.05.01	Contracts and Joint Services			

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	<p>Schools are required to procure and manage a number of contracts for services provided to the Schools. These include, but are not limited to, Grounds maintenance, Catering and Cleaning.</p> <p>The LA will for most of these procure general contracts that the schools have the option of buying into. These contracts will normally demonstrate better value for money, due to the LA being able to make use of economies of size.</p> <p>The school will then be responsible for monitoring these contracts and ensuring that an appropriate service is delivered.</p>	<p>Through enquiry of staff and examination of the school's accounting records, determine what contracts the school has. For each of these:</p> <ol style="list-style-type: none"> 1) Ascertain how these have been procured. If these were not procured through the LA, determine the method of procurement and whether the school can demonstrate value for money. 2) Ascertain whether the school has access to or holds a copy of the contract. 3) Determine how the School monitors the services provided under the contract and whether defaults or rectification notices are issued. 4) Determine if the school had considered joint services with other schools or local organisations to achieve better value for money. 		
04.06.01	<p>Authorisation of petty cash reimbursement claims</p> <p>All petty cash expenditure should be approved prior to purchases being made to ensure that the purchase is reasonable. Reimbursement claims should be documented and supported by receipts. VAT should be identified and re-claimed, where applicable. All reimbursement claims should be signed for on authorisation of payment and countersigned by the claimant upon receipt of the reimbursement.</p> <p>All claims should lie within the limit set by the School. Where the School has not set a limit claims should be within the Council's limit (£25).</p>	<p>Through discussion establish whether petty cash is held and if so, through reference to some sample petty cash claims and further discussion establish whether:</p> <ol style="list-style-type: none"> 1) A petty cash limit is in place and adhered to; 2) Petty cash transactions are authorised and supported by appropriate receipts. 3) VAT is appropriately dealt with 4) The petty cash is periodically independently checked. 		
05.07.01	<p>Approval of school journeys (residential trips)</p> <p>Controls should be in place to ensure that each school journey is appropriately authorised and supported by adequate documentation. All school journey grants (awarded to pupils) should be issued in accordance with the school's policy and income and expenditure records should be properly accounted for.</p>	<ol style="list-style-type: none"> 1) Identify whether the Governing Body has established and implemented a school journey grant policy (obtain a copy of the policy) 2) Identify a recent school journey and establish whether the journey has been approved by the Governing Body (obtain a copy of the approval and 		

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	<p>Note: School journeys - are overnight/residential trips.</p>	<p>note the proposed destination and period of the journey)</p> <p>3) Identify whether documentary evidence is being maintained to confirm that the journey has been costed (obtain a copy of the documented costs)</p> <p>(Note: Only test residential journeys in this section)</p>		
05.07.02	<p>End of Journey Statement is prepared and appropriately approved</p> <p>Controls should be in place to ensure that each school journey is appropriately authorised and supported by adequate documentation. All school journey grants should be issued in accordance with the school's policy and income and expenditure records should be properly accounted for.</p>	<p>For the last school journey conduct the following tests:</p> <p>1) Identify and comment on whether an end of journey statement has been prepared (obtain a copy).</p> <p>2) Check and confirm whether the statement has been certified by an independent officer not involved in the day to day administration of this account, e.g. the Head teacher.</p> <p>3) Check and comment on whether the outcome of the journey and the end of journey statement has been presented to the School Governors (obtain a copy of the minutes/report to Governors).</p>		

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Bank Accounts [05]

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05.01.01	Cheque security is appropriate Cheques should not be pre-signed by any of the authorised cheque signatories and should be used in sequential order.	1) Examine the current cheque books to confirm that cheques are not being pre-signed by any of the cheque signatories. 2) Obtain the most current cheque book and confirm that cheques are being used in sequence.			
05.01.02	Personal cheques are not cashed Personal cheques may not be cashed through the school bank account.	Check that personal cheques are not being cashed. Examine the paying in books and also petty cash transaction listings for evidence of staff personal cheques being cashed.			
05.01.03	Regular bank reconciliations conducted All transactions in the schools account should be reconciled to the bank statement.	1) Check to confirm that regular (at least monthly) reconciliations are carried out between the data held on SIMS/RM Finance and the bank statement. Note the date of the most recent reconciliation. 2) Check to verify that all bank reconciliations are signed by the person performing the reconciliation. Confirm that completed bank reconciliations have been independently signed off by someone who understands the reconciliation process (preferably the Head Teacher). 3) Obtain an unreconciled items listing from SIMS/RM Finance and check that there are no unusual or long standing unreconciled items listed. (Critically examine the listings of unreconciled payments and income for out of date or unusual items (e.g. unreconciled journal entries, duplicate entries, old unreconciled receipts - i.e. anything over 6 months old			

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		<p>should be cleared as the bank may not process these.))</p> <p>4) Examine the school's bank statements and confirm that the bank account has not been overdrawn in the last six months. (Please note the date, period and overdrawn amount). Ascertain whether the Council has been notified in a timely manner.</p>		
05.01.04	<p>Bank Signatories are appropriate All cheques should be signed by two authorised signatories, and financial procedure notes should stipulate that supporting documents should be made available to both cheque signatories (i.e. invoice should be presented with the cheque).</p>	<p>Obtain a copy of the authorised signatories list for all of the school's bank accounts and establish whether:</p> <p>1) Two cheque signatories are required;</p> <p>2) All signatories included on the mandate are current employees of the school (note: governors should not be included as authorised signatories)</p> <p>3) Confirm that the sample signatures given on the bank mandate are manuscript signatures, (i.e. not initials or symbols).</p>		
05.01.05	<p>Procurement Cards are only issued to authorised staff Procurement Cards are only issued to authorised staff. The Governing Body should authorise all cards prior to these being issued.</p> <p>A signed agreement should be held confirming that the member of staff agrees to the terms of use</p>	<p>Where applicable:</p> <p>1) Check that the Governing Body has authorised the issue of all procurement cards in use</p> <p>(Note: Debit Cards, Store card and Credit Cards are not permitted by the L.A. Only Council Procurement cards are allowed. No other procurement cards should be used.)</p> <p>2) Confirm that there is an agreement in place for staff issued with procurement cards. (Staff members should agree to the terms of use that the card will only be used for School purposes and this should be formally agreed in writing)</p>		
05.01.06	<p>Reconciliations are conducted for all procurement card expenditure Procurement card statements should be reconciled on a monthly basis.</p>	<p>1) Confirm that regular (monthly) reconciliations are conducted for procurement card expenditure by an independent member of staff</p> <p>(Reconciliations should be conducted between items on</p>		

Ref Key	Control Process	Testing Procedure	Done byDate	Result
		<p>card statements and receipts. A valid receipt should be held for all transactions listed.)</p> <p>2) Examine expenditure listings for 3 months and confirm that items of expenditure are reasonable, i.e. for School purposes.</p>		

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Information Governance [06]

Ref Key	Control Process	Testing Procedure	Done by	Date	Result
06.01.01	Information Governance In order to comply with the Data Protection Act and help ensure the protection of persioanl data, appropriate information governance should be in place.	Through discussion and examination of relevant documents establish: 1) Whether the School has an information governance policy (please note this may have another name) which should deal with how to maintain appropriate security over sensitive data. 2) How does the School maintain physical security over sensitive data? 3) How are information security breaches reported and dealt with? 4) How security of information taken home by teachers (if allowed) is ensured, both electronically and physically. 5) Are laptops and USB memory sticks encrypted? 6) How are laptops or USBs disposed of? 7) Does the School have a document retention policy? (For example Governing Body records should be retained on site for 7 years, personnel records, books of account, child records, etc).			
06.02.01	Data Protection Registration completed				

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	To ensure that data held at the establishment is in accordance with the requirements of the Data Protection Registrar, the school should maintain a current entry in the Data Protection Register. This will be evidenced by the issue of a certificate to the school, which will show the dates of the period covered by the registration.	<p>1) Identify whether the Governors have registered the computer data with the Data Protection Registrar and obtain a copy of the certificate confirming the period to which the cover relates.</p> <p>2) Establish who the responsible person at the school is, who has been delegated responsibility to control the requirements of the Data Protection Act. Verify that they maintain a copy of the authorised users of the systems and that the list is updated as and when staff leave or start at the school.</p>		
06.02.02	<p>Staff Email Accounts</p> <p>To ensure that data is kept confidential, personal email accounts should not be used at any time for sensitive or personal data (generic information which is acceptable). The use of personnel email account should be discouraged.</p>	<p>1) Do all staff have a school email account?</p> <p>2) Are there any instances where personal email accounts are used?</p> <p>3) Through examination of the school's ICT/ data protection policy, check that staff are made aware that personal email accounts should not be used at any time. The policy should specifically state that use of personal email accounts is prohibited.</p>		
06.03.01	<p>Back Up Procedures and Business Continuity Plan in place</p> <p>The headteacher should ensure that data is backed up regularly and that all back-ups are securely held in a fireproof location (preferably off-site).</p> <p>SFVS Question #23 requires that a business continuity or disaster recover plan is present and up to date.</p>	<p>1) Establish and document the back-up procedures. Confirm that back-up tapes are held securely in a fireproof location.</p> <p>2) Confirm that the school has a business continuity plan that is up to date. Confirm that the Governing Body has approved the plan in the previous 12 months.</p>		
06.03.02	<p>Virus protection in place</p> <p>The Head Teacher should ensure that systems are in place to safeguard school software and data against computer viruses.</p>	Document the systems that are in place to safeguard school software and data against computer viruses.		
06.03.03	<p>Authorised access</p> <p>Computer systems used for school management should be protected by password security to ensure that only authorised staff have access. Passwords should be changed regularly.</p>	<p>Through discussion and examination of the school's computer system establish whether :</p> <p>a) Only authorised staff have access to the computer systems.</p> <p>b) Passwords are unique to each user and that these are changed regularly.</p>		

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		N.b. Generic users such as ‘Sysman’ or Head Teacher should be disabled.		
06.04.01	<p>Loan of equipment properly controlled and recorded There should be effective controls in place to ensure that the removal of all equipment from the school premises is monitored and logged.</p>	<p>1) Identify and document the system for approving and recording the loan of equipment (computers, cameras, AVA equipment etc) and assess whether these procedures are adequate.</p> <p>2) List all items of equipment on loan at the time of the audit and test for the following:</p> <ul style="list-style-type: none"> a) Authorised by an appropriate officer b) Period of loan specified c) Responsibility/liability clearly explained d) Appropriately recorded in the Asset register 		

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Income [07]

Ref Key	Control Process	Testing Procedure	Done by	Date	Result
07.01.01	Income should be receipted and fully documented All income should be adequately receipted and recorded within the accounting records.	SUNDRY INCOME 1) Note the types of Sundry Income paid into the bank according to the bank paying-in slip counterfoils. 2) Verify that supporting records is being maintained to record the person from whom the income has been received, the date received, the amount and the date the income is banked. 3) Check that vending machine and payphone income is counted by two officers.			
07.02.01	Safeguarding of income received Cash and cheques should be securely locked away (once accounted for) to safeguard against loss and theft.	Check to confirm that cash and cheques are securely locked away to safeguard against loss and theft.			
07.02.02	Authorisation of lettings All lettings should be authorised by the Head Teacher within a framework determined by the Governing Body and should be recorded in a register or diary.	Obtain a copy of the school's letting policy and establish whether: 1) The policy is up to date and includes a list of current fees and charges. 2) The policy has been approved by the Governing Body. 3) Income received from lettings has been collected in line with the current fees and charges. 4) All lettings are authorised by the Head Teacher and documented on booking forms (or equivalent documentation). Note whether the booking forms appropriately indemnify the school.			

Ref Key	Control Process	Testing Procedure	Done by	Date Result
		<p>5) For a sample of lettings income, ensure that the dates agree to a lettings diary or register.</p> <p>6) Confirm whether the School has informed the Council so that the insurance policy can be appropriately amended, (Please note we can easily check at the Council if the School has not maintained a record of this notification.).</p>		
07.02.03	<p>School meals debts are reviewed and action is taken where School meals are paid for using parent pay. The School can view each pupil/staff member's school meal account and determine the balance on the account.</p> <p>Where pupil or staff meal accounts are in debt the School should take appropriate action to recover the debt.</p> <p>Where negative balances remain on School meal accounts this debt becomes the responsibility of the School.</p>	<p>Obtain a listing of School meals debts for staff and pupils and note the value of the debts.</p> <p>Select 5 pupils and 5 staff members with debts on their meal accounts and establish whether there is evidence that the School has taken appropriate action to recover the debt.</p>		

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School fund - Accounting [08]

Ref Key	Control Process	Testing Procedure	Done by	Date	Result
08.01.01	<p>Annual independent audit review of the accounts To ensure that adequate and reliable accounting records are being maintained and that there is an annual review of the accounts.</p>	<p>1) Identify whether the school has appointed someone to undertake an independent audit of the school fund accounts (document the name of the auditor and their link with the school).</p> <p>2) Identify and comment whether income and expenditure and fund balance statements have been prepared and audited (obtain copies of statements and the auditors report/opinion) in the last 12 months.</p> <p>3) Identify and comment on whether the audited statements have been presented to the Governing Body (obtain a copy of the Governing Body Minutes)</p>			
08.02.01	<p>Appropriate accounting records maintained To ensure that adequate and reliable accounting records are being maintained and that there is an annual review of the accounts.</p>	<p>GENERAL</p> <p>1) Identify and comment on whether a separate ledger is being maintained to record all income and expenditure (obtain a copy of the ledger and name of the officer who maintains the accounts).</p> <p>2) Establish whether the accounts are fully completed in ink</p> <p>INCOME:</p> <p>3) Establish whether receipts are being issued for all income received (note details of the receipt book being used or obtain reasons why receipts are not being used).</p>			

