

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE 22nd DECEMBER 2011

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

INTERNAL AUDIT'S ANNUAL REPORT ON SCHOOLS

1. Purpose of Report.

1. To present to Members a copy of the report issued to the Corporate Director Children, summarising the findings made by Internal Audit in relation to the school based audits conducted in the 2010/11 audit year.

2. Connection to Corporate Improvement Plan / Other Corporate Priority.

- 2.1. The work of audit is intended to assist in the achievement of all corporate and service objectives.

3. Background

- 3.1. On an annual basis the Internal Audit Section visits a proportion of the Authority's Primary, Secondary and Special Schools in order to carry out a pre-determined programme of work, with a view to giving the school, their Governing Body and the Authority assurance that controls are operating effectively.
- 3.2. In 2010/11 approximately £78.5 million was delegated to the Authority's 10 Secondary, 54 Primary and 2 Special Schools. This amounts to approximately 34% of the Authority's revenue budget.
- 3.3. To date, Internal Audit aims to audit every school at least once every three years, with increased visits if necessary on the basis of a risk assessment. The risk assessment will incorporate schools who were deemed to provide limited or no assurance in controlling risks in the past, schools where there have been changes in key personnel such as the Head Teacher or Clerk, schools due to amalgamate or have just amalgamated and any other concerns brought to Internal Audit's attention.
- 3.4. In early 2010/11 a Control Risk Self Assessment (CRSA) Programme was piloted in the Bryntirion Cluster. The aim of the CRSA is to enable Head Teachers to self evaluate the controls that exist within the school. Following the success of the initial cluster, the CRSA programme was rolled out to all Schools who were not subject to an audit visit in 2010/11. Responses were received for 55% of the schools which is relatively disappointing. Internal Audit advised Schools that failure to submit the completed CRSA may result in more frequent audit visits as it was anticipated that Internal Audit would be able to seek assurance that controls were in place from the responses received. Of those Schools who did respond, it was pleasing to note that all gained either a good or very good rating. In future years the CRSA's will be issued to all schools (except those due to be visited) on an annual basis.

3.5. In 2011, a shared service arrangement between Bridgend and the Vale of Glamorgan Internal Audit Service was officially formalised. Following this, the current school work programmes used by both authorities were reviewed and a combined work programme has been developed and implemented.

3.6. From 2011/12 all schools subject to an audit visit will be issued a pre audit questionnaire and will be required to submit selected documentation prior to the visit. This information will then be reviewed and the audit programme will be tailored to focus on the high risk areas identified. Thus, not all areas of the schools programme will be subject to review during the audit visit as assurance will be gained from the pre audit questionnaire responses.

4. Current situation / proposal

4.1. In 2010/11, 3 Secondary schools and 10 Primary and Nursery schools were visited. The report presented in appendix A provides Members with details of the key findings made during these audits.

4.2. In summary, the 3 Secondary schools visited were all graded as providing Adequate Assurance. This is reflected in the fact that the total number of significant and Merits Attention recommendations made (83) in 2010/11 had reduced by almost 20% from the number of recommendations made in 2009/10 (103).

4.3. Of the 10 Primary and Nursery schools visited, two were deemed to provide Limited Assurance. All other Primary schools were categorised as providing Adequate or Substantial Assurance.

4.4. Any recommendations relating to Internal Audit's findings will have been presented in a report directly to the school and Governing Body concerned.

5. Effect upon Policy Framework & Procedure Rules.

5.1. There is no effect upon the policy framework and procedure rules

6. Equality Impact Assessment.

6.1. There are no equality issues.

7. Financial Implications.

7.1. Effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

8. Recommendation.

8.1. That the Committee gives due consideration to the Internal Audit annual report on schools to ensure that all aspects of their core functions are being adequately reported.

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Background Documents

Schools Annual Report
Individual Audit reports relating to each school visited.