

MANAGEMENT RESPONSE TO INTERNAL AUDIT RECOMMENDATIONS

AUDIT	Greendown Community School	DATE	
REPORT DATED	September 2009	PAGE	1 OF 10

NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
1.1	A review of the information used to initially identify the deficit budget for 2009/10 should be conducted to establish the reasons for the significant variances.	High	Business Manager September 2009	1. A review of the information used to construct the 2009-11 budget has been carried out and the variances looked at. This current years outturn is being used as a more accurate measure with which the 2010-12 budget (now in draft) will be finalised before GB approval
1.2	A detailed action plan should be produced to address the deficit budget which should be monitored by the Finance Committee and regularly report on to the Full Governing Body. A review of the information provided by sub committees to the Full Governing Body should be carried out to ensure that crucial information, affecting all decisions made, is properly communicated.	High	Governors September 2009	1. An action plan was produced and lodged with the LA (attached) in April/May 2009 2. The Head teacher and SBM met with the LA's Director and Finance Manager to talk through possible solutions to the deficit situation. The LA agreed that the school were doing everything possible to address the problem 3. A review of the sub-committees has been carried out and the minutes of their meetings expanded to better reflect the discussions at the meetings. These are then presented to the Full GB for further scrutiny and then signed off.

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1.3	<p>A review of the budgets set for 2009/10 should be conducted, with detailed costing carried out and recorded, to establish whether all anticipated factors and historic trends have been accounted for and to confirm the budget set is realistic and achievable. The school should seek assistance from the LA's Finance Team in conducting this review.</p> <p>The results should be presented to the Finance Committee to allow sufficient challenge on the assumptions made.</p> <p>The results from the review should be submitted to Group Financial Manager for Children Services to establish whether the budget needs to be restated and a revision to the licensed deficit agreed with the LA.</p>	High	Headteacher in liaison with the Finance Committee. September 2009	<ol style="list-style-type: none"> 1. See 1.1 (1) A review of the budgets set for 2009/10 has been carried out and the lessons learned are being put to use in the current budget setting process for 2010-11 2. All anticipated factors and historical data is now being used in the setting of the new budget. 3. The LA's Finance team is involved in the process and has made 2 visits to date. 4. A meeting of the Finance committee specifically to discuss the budget is set for Monday the 22nd of March followed by a further meeting on the 19th April. We expect a full and frank discussion of all the issues! 5. The Finance Manager is fully involved in the current process, It has not been necessary to re-state the budget. Neither has a revision to the licensed deficit been necessary. The predicted deficit for 2010/11 we hope to have been reduced by 50% with the school back in the black for 2011 and onwards.

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1.4	<p>All actions identified in the School Development Plan which have an associated financial implication to the school, should be fully costed and provision made for this expenditure in the school's budget.</p> <p>A review of the current School Development Plan should be conducted to ensure all costs have been calculated and are affordable.</p>	High	Business Manager September 2009	<p>1. The School development plan is a key document in constructing the Budget. For the process of setting the 2009/10 budget and anticipated in the 2010/11 budget however most of the SDP implications are staff related. We do not anticipate a large expenditure in BSM.</p>
1.5	The budget profiles should be set following a review of the school's historical spending information.	Medium	Business Manager September 2009	<p>1. We have always used the 'built in' profiler within SIMS- FMS</p> <p>2. Will look at a more comprehensive approach for the 2010/11 budget setting process as advised.</p>
1.6	A review of the current support staffing structure should be conducted to ensure there is an adequate level of strategic financial support available to the school.	High	Headteacher October 2009	<p>1. The role of the SBM has included tasks that could be covered by more junior staff. This is often due to expediency at the time and unavoidable, due to the level of admin staffing. It does have an effect on strategic issues.</p> <p>2. The SBM and HT are examining ways of better utilising the amount of admin hours/staff available.</p>

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
2.1	<p>Detailed budget monitoring information should be produced for Governors to allow for detailed monitoring and challenge.</p> <p>In light of the current financial situation of the school, more comprehensive information should be presented to Governors for review.</p>	High	<p>Headteacher & Business Manager.</p> <p>September 2009</p>	<p>1. Detailed budget monitoring report now issued on monthly basis to Gobs and has been since the report. This report is used as a basis for discussion in Finance sub meetings</p> <p>2. This is copied to the LA and they are satisfied with the information supplied</p>
3.1	<p>The census returns should be independently checked prior to submission to the LA.</p> <p>The anomaly identified in the report information should be investigated to establish whether this is affecting the total number of pupils recorded on roll.</p>	High	<p>Business Manager</p> <p>September 2009</p>	<p>1. Census Returns are prepared by the HR Officer and checked by the SBM. They go error free to the LA.</p> <p>2. Alerted LA in relation to this. Pupils who are not immediately placed elsewhere after leaving Greendown can remain on role. There is no error message that alerts us to this. LA aware.</p>
3.2	<p>A review of the discrepancies in pupils on roll compared to the census return produced for 15th January 2009 should be conducted to identify the reasons for these and to confirm whether the correct level of funding has been awarded to the school.</p>	High	<p>Business Manager</p> <p>September 2009.</p>	<p>1. As Above</p>

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
4.1	<p>A central contract register should be devised and maintained detailing all contracts in place, their expiry date, annual cost and contract coverage. This register should also be used as a record to confirm that adequate insurances and policies are in place.</p> <p>The register can then be reviewed regularly to identify when contracts are due to expire to allow for contract negotiations, or tendering, to be carried out in sufficient time before the end of the contract.</p> <p>The register can also be used to assist in the annual budget setting and to provide information to profile budgets accurately.</p>	High	<p>Business Manager</p> <p>September 2009</p>	<ol style="list-style-type: none"> 1. In place for re-assessment 2. We already carry out these reviews from the existing contract system which is file based. The school agrees that an actual register will make it easier to do this. 3. Register is now being used to assist in annual budget setting
4.2	<p>In accordance with Financial Regulations, quotes and formal tendering procedures should be established when expenditure is expected to exceed, £1k and £50k respectively.</p>	High	<p>Business Manager</p> <p>September 2009</p>	<ol style="list-style-type: none"> 1. Three prices are always obtained under best value (wherever possible) for purchases that exceed £1k. Departments are encouraged to seek the assistance of the finance department in obtaining these. 2. There has been a recent award of a contract to a catering company. The Tender process was followed as per Finance regs and both the LA procurement and legal department consulted.

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
4.3	<p>All staff should be reminded of the Financial Regulation requirements for obtaining quotes and tenders at the specified level.</p> <p>Disciplinary action should be considered against the member of staff who wilfully breached financial regulations and thereby put the school at risk of not obtaining value for money, allegations of inappropriate contract awards and lack of transparency.</p> <p>Instructions, procedures and standard documentation should be produced for obtaining quotations and tenders, in accordance with the Financial Regulations.</p>	High	<p>Business Manager</p> <p>September 2009</p>	<ol style="list-style-type: none"> Budget holders are reminded of this in their budget packs Non Budget holders receive an annual email reminder of the requirements. Chair Of Governors and LA – No longer at the school In Budget packs
4.4	The print of all orders raised should be run on a routine basis. Old outstanding commitments should be reviewed. If they are no longer required they should be cancelled.	Medium	<p>Finance Manager</p> <p>September 2009</p>	<ol style="list-style-type: none"> In Place – now filed
4.5	Delivery notes should be retained, ticked and signed by the person receiving the goods to confirm goods were received intact and satisfactory.	Medium	<p>Finance Officer.</p> <p>September 2009</p>	<ol style="list-style-type: none"> New 'Goods in system' in place. All goods received and checked by receptionist. Delivery notes passed to Finance for filing
4.6	The school should ensure that payments collected by the Friends of Greendown School for the leased laptops are made at least monthly.	Medium	<p>Business Manager</p> <p>September 2009</p>	<ol style="list-style-type: none"> In place

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
5.1	<p>Segregation of duties should be established within the HR/Payroll function. A member of staff independent of the HR Officer should authorise any changes to staff and pay including new starters, amendments, leavers etc.</p> <p>It is suggested that the HR Officer should be restricted to administration rights only on the payroll and banking system.</p>	High	<p>Business Manager</p> <p>September 2009</p>	<p>1. Further segregation of duties now in place</p> <p>2. In place as far as practical. Needs to be able to authorise external payments additional to payroll such as pension, union etc</p>

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
6.1	<p>A review of the catering budgets should be conducted to confirm that the anticipated level of income is achievable.</p> <p>An action plan to increase catering turnover should be devised, using information obtained from the school meals cashless system to identify areas where take up can be increased.</p> <p>Catering Trading accounts should be prepared and monitored. Historical income and expenditure data can be used to identify spending profiles.</p> <p>Performance targets should be set for the Catering function, including gross and net profit and % increase in customer numbers. The actual performance should be reported to the Catering Manager to allow staff to monitor whether initiatives have worked and informed decisions can be made.</p>	High	<p>Business Manager</p> <p>September 2009</p>	<p>1. Catering outsourced from 1st April 2010. Entire operation will be handled by new contractor at fixed cost to the school. Profit share scheme in place.</p>
6.2	<p>A detailed business case should be prepared to demonstrate that provision of catering services to other schools would be financially beneficial.</p> <p>This should be presented to Governors for approval before any arrangements are formally agreed with feeder schools.</p>	Medium	<p>Business Manager in liaison with the Catering Manager</p> <p>October 2009.</p>	<p>1. See above – New catering company prepared to look at this as an option in Phase</p>

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6.3	<p>Vending machine keys should be separated to ensure that access to the cash boxes are restricted.</p> <p>Detailed monitoring of the vending machine income should be carried out to ensure the income collected covers the full costs of the stock and the operational costs.</p>	Medium	<p>Catering Manager</p> <p>September 2009</p>	<p>1. In Place – Vending to be managed by new catering company</p>
7.1	<p>The school fund bank accounts should be audited within 4 months of the year end.</p> <p>The school fund accounts for the year ending 30th June 2008 should be prepared and submitted for audit immediately.</p>	High	<p>Business Manager</p> <p>September 2009.</p>	<p>1. School fund accounts audit up to date – present day.</p>
7.2	<p>School Fund bank reconciliations should be conducted promptly, upon receipt of the bank statement.</p> <p>Bank reconciliation training should be provided to the School Fund Administrator.</p> <p>It is suggested that the Finance Manager or Business Manager reviews the bank reconciliations prior to the Headteacher to ensure they are kept up to date.</p>	High	<p>Business Manager</p> <p>September 2009.</p>	<p>1. Bank reconciliations for School fund are up to date.</p> <p>2. School fund administrator turned down offer of training. Not needed.</p> <p>3. In place</p>

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8.1	<p>The school should seek assistance from the LA in developing a school specific Disaster Recovery, Business Continuity, Emergency Plan.</p> <p>Advice could be sought from the Council's Business Continuity Officer for the content and approach.</p>	Medium	<p>Headteacher & Governors</p> <p>December 2009</p>	<p>1. Business Continuity Plan in Place</p> <p>2. Emergency Plan in Place</p> <p>3. General risk assesment in place</p>

I certify that the above information is correct

Service Manager:

Date:

Internal Audit:

Date: