



# Isambard Community School Follow-Up

June 2015  
Final Report

## Swindon Internal Audit Services: Isambard Community School Follow-Up

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#### Report Distribution – Final Report issued on 2<sup>nd</sup> June 2015:

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## Swindon Internal Audit Services: Isambard Community School Follow-Up

### Executive Summary

#### Background

Isambard Community School is one of two secondary schools serving the Northern Sector of Swindon. With 1,117 pupils on roll (September 2014 Census), it is a PFI school using a shared site with three other schools, two of which are special schools.

A review of the financial procedures operating at Isambard Community School was completed as part of the planned programme of work in 2014/15. This was initiated in a response to the announced departure of the then Head Teacher, the departure of the Business Manager, a significant and unpredicted year end surplus of £657,000 compared to the £281,922 approved in the budget, and the submission of the School's three-year budget plan that indicated a potential budget deficit of £757,000 by 2016/17.

The School has been affected by falling pupil numbers, as a result of a shift in the overall pupil numbers in Swindon. A School Leadership and Management review was carried out by the Local Authority in May 2014 which identified failings at the School. In order to improve the standard, the Local Authority arranged support for the School from another establishment that had an outstanding Ofsted inspection. In November 2014, the School had an Ofsted inspection which gave an overall rating of 'requires improvement', with a 'good' for leadership and management.

The previous Head Teacher left the School in August 2014. The Deputy Head Teacher, who became the Acting Head Teacher in the interim, was appointed as the permanent Head Teacher from 1<sup>st</sup> April 2015. The Business Manager and Finance Officer both joined the School at the end of June 2014, having not previously worked in a school setting.

The 2014/15 audit review identified a number of key control weaknesses in the financial management and governance of the School which gave an overall audit opinion of 'fundamental weaknesses identified'.

This report was presented the Council's Audit Committee on the 4<sup>th</sup> November 2014. It was agreed at this meeting that a follow-up audit was to be carried out within six months of the date of the meeting in order to report back to the Audit Committee on the progress the School has made against the audit action plan, which has now been completed.

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### Audit Opinion

**Overall Opinion on system controls:** The Auditor completing the follow-up review concluded that **the School has made significant improvements since the previous audit**. Of twelve high priority recommendations made in the previous report, six have been implemented and six are in progress and only two out of twenty recommendations remain outstanding. The overall opinion has therefore improved, but there are a number of significant recommendations that still need to be fully implemented. As a result, an audit opinion of 'Significant improvements required' has been given based on the areas reviewed. The combination of the high materiality and impact of the systems, along with the opinion on the system controls gives an overall risk assessment to the Council as being **of concern**.

### Key Messages

Over the past six months significant progress has been made to improve the financial controls of the School, including a full staffing review and the creation of a School Development Plan, which informed the revision of the School's three year financial plan and as result this is no longer predicting a deficit.

Evidence of improved Governor challenge and involvement in decision making was found through the review of recent meeting minutes. The frequency of Governor meetings has increased and Governors have been supported with specific training and improved budget monitoring reports, highlighting variances and the inclusion of projections of year end balances.

However, due to the scale of the initial issues that were identified, there are still areas of concern that are outstanding. Principally, this refers to the monitoring of the financial impact of changes in pupil numbers and variations in intake, and improvements in the procurement process to ensure accurate and timely recording of financial commitments.

### Key improvements made since last audit

The following improvements in controls and processes have been identified since the last audit review:

- The School has revised its three year financial plan and this is no longer predicting a deficit. This is an improved position from the three year plan approved in 2014/15, which predicted a deficit position of £757,000 by 2016/17.
- The School's financial plan has been presented to Governors of the Asset Management Committee, along with a narrative by the Business Manager on the assumptions made, such as inflation rates, pupil numbers and staffing costs.

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- The financial plan has been completed using the pupil number projections provided by the Council for its year 7 intake each year. The School has taken steps to improve pupil numbers, by establishing a Primary Liaison Officer role to build relationships with the feeder primary schools. Pupil numbers are reported, in the Head Teacher's Report, to Governors at each Full Governing Body meeting and discussed.
- At the time of the previous audit a staffing review had not been carried out and the three year budget plan had assumed constant staffing levels, despite reduced pupil numbers. The School has completed a review of the curriculum and as a result has made reductions in teaching staff. In addition, a review of the non-teaching staff has been carried out, the full effects of the staffing reductions will not be realised until September 2016.
- The School has created its School Development Plan for September 2014 to July 2015. Each action in the plan has a cost (where applicable), which has been built into the School's four year plan. The Business Manager and Head Teacher are working on a way to allocate costs in the 2015/16 budget plan for the September 2015 to July 2016 School Development Plan.
- For each action set out in the School Development Plan the School have set a timescale for completion, an action owner and responsibility for monitoring its progress. There is evidence that progress against the Plan, from a financial point of view, has been provided at the Asset Management Committee meetings. The Head Teacher provides an update on progress against the actions at each Full Governing Body Meeting.
- It was identified in the previous audit that the School had an IT Development Plan in place that had not been discussed and approved by the Governors, despite planning significant expenditure of £200,000 over three years. In addition, the amount of planned expenditure had not been included in the School's budget. The School's IT Development Plan has been updated for 2015/16 onwards. The planned expenditure has been included by the Business Manager in the School's four year plan.
- The frequency of the Asset Management Committee meetings has been increased, and these have been scheduled to ensure that they fall in time with key decisions. The Business Manager provides a budget monitoring report to Governors in advance of each meeting, and provides a narrative report on projected year end variances.
- The previous audit highlighted that Governors had been incorrectly advised that the Local Authority were happy with the School's use of large rollovers to manage their projected deficits. Governors have now been provided with the Local Authority's guidance on financial rollovers to enable them to challenge their use in the future.
- A schedule of the required approval of policies and procedures and other key decisions by Governors has been created by the School. This has been used to plan the timing of Governors meetings and to set the agendas to ensure that the School keeps up-to-date with these items.

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- Since the previous audit three new Governors with financial knowledge and experience have been appointed by the School in an effort to bring additional scrutiny and challenge and to encourage this from the other Governors.
- Governors and the School's Leadership Team have attended Financial Efficiencies Training delivered by the Council. There is a plan to complete the Governor Skills Matrix once all new governors have been appointed. A budget for Governor training has been allocated in the School Development Plan.
- The previous audit identified that decisions made outside of Governor meetings were not recorded in the subsequent meeting minutes. In addition, there were no action points included in the minutes to ensure that they were being followed up and completed. These items have now been included on the meeting agendas.
- The School has submitted their School Financial Value Standards (SFVS) return to the Local Authority for the 31<sup>st</sup> March 2015 deadline. This was completed by the Head Teacher, Business Manager and Chair of Governors and was presented to the Full Governing Body for discussion and approval on the 20<sup>th</sup> April 2015. Minutes of that meeting demonstrated that the School identified that the Return was not completed by all those with responsibility for financial management of the School. A plan for how the Return will be completed in 2015/16 was established.
- The SFVS Return was reviewed by the Auditor and no material discrepancies between the School's responses and the evidence provided and reviewed during the course of the audit were identified.
- The Scheme of Delegation has been updated and approved. It now includes limits for budget virements that can be made by the Business Manager and Head Teacher, and the limits that require Governors' approval.
- The School's contracts register has been updated to include dates when the contract should be reviewed, to help ensure that the School achieves value for money through its contract procurement process.
- The Business Manager monitors the School's cash flow. A cash flow report was provided to Governors at the Full Governing Body meeting held on the 20th April 2015. This was to gain their approval for investment of cash into an account with a higher interest rate, in order to generate income for the School.
- New purchasing procedures, which comply with the Financial Regulations for School, have been put into place by the Business Manager and testing on a sample of purchases confirmed that these are being followed.

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### Key areas of concern/ risk

The following key areas of concern have been identified during the review:

- It was identified that there were changes made to the cost centre budgets for 2014/15 from those approved by the Governors. The Business Manager had not documented all of these, and they had not been reported to the Governors. Changes to budgets could be used to mask under and over spends, therefore all virements made should be highlighted for Governor scrutiny. *(Outstanding risk from the 2014/15 audit)*
- The pupil numbers stated in the School's four year financial plan have assumed in-year additions of five pupils each year for year groups eight to eleven. The Head Teacher's Report in November 2014 stated that the School had negative in-year movement (more students left than joined). Therefore this is an area that the School will need to manage and monitor closely in order to meet its projections.
- Budget monitoring reports from the financial management system are provided to Governors for each Asset Management Committee meeting, along with a report of projected variances at year-end, which is produced by the Business Manager. It was found that the budget monitoring reports from the School's financial management system do not include accurate projections of the year-end position because the cost centre budgets have not been profiled across the year.
- Due to staff absence, the School has fallen behind in the review of a small number of its contracts that have been in place for a number of years. The review will help ensure that the School gets the best value for money when renewing their contracts. *(Outstanding risk from the 2014/15 audit)*
- Testing on a sample of ten purchases identified that for five of them, the purchase order had been raised after the invoice had been received. There is a risk that the School will be unable to manage its budgets effectively if commitments for expenditure are not recorded on its financial system in advance of payment. In addition, six out of ten purchases had not been paid within the invoice terms, leaving the school at risk of financial penalties or the withdrawal of credit facilities by suppliers. It is noted that the Finance Team have had a lack of resources due to staff absence during the period tested. *(Outstanding risk from the 2014/15 audit)*
- The Disposal of Asset and Write Off Policy has not been reviewed and updated since the last audit. It was recommended that this is updated to include the School's position on selling items to members of staff, as agreed by Governors. *(Outstanding risk from the 2014/15 audit)*

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- The School has not carried out any benchmarking of its finances, as was recommended in the previous audit. (*Outstanding risk from the 2014/15 audit*)
- The recommendation to update the School's Charging and Remissions Policy to include the agreed approach to the use of volunteers and family members has not yet been implemented. It was confirmed by the Head Teacher and Business Manager that school trips that have run since the previous audit have not used volunteers, family members or friends, and that when the policy is up for review, a decision on this will be made and the policy updated accordingly. (*Outstanding risk from the 2014/15 audit*)
- The 2014/15 SFVS Return was completed by the Head Teacher, Business Manager and Chair of Governors and then presented to the Full Governing Body for review on the 20<sup>th</sup> April 2015. This was after the date of submission to the Local Authority (31<sup>st</sup> March 2015). The need for the standard to be completed with input from all those with financial responsibility of the School has been identified.

## Overall Opinion

**Materiality and Impact: High.** Isambard Community School had a budget for 2014/15 of £5.5million, comprised predominantly of Local Authority budget share, and £667,830 rolled forward from 2013/14. It is therefore, a system that is of **high** materiality. It is considered that there would be a **high** impact on the Council, should there be major system failures in the areas examined.

**Opinion on system controls: Significant improvements required** (see Appendix A) i.e. the Auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

**Changes since last audit:** The table below is a summary of the progress made in implementing the recommendations from the 2014/15 audit.



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	Implemented	Partially Implemented	Not Implemented	TOTAL
High	6	6	0	12
Medium	2	4	2	8
Low	0	0	0	0
TOTAL	8	10	2	20

**Overall Assessment of Risk:** the combination of the high impact of the system, along with the opinion on the system controls gives an overall risk assessment to the Council as being **of concern**. This is an improvement on the previous audit opinion of significant risk.

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Moderate	Minimal	Minimal
2	Satisfactory	Moderate	Moderate	Minimal
3	Significant improvements required	Of Concern	Moderate	Moderate
4	Fundamental weaknesses identified	Significant	Of Concern	Moderate

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### Follow-Up Action Plan

The purpose of this action plan is to provide an update on the progress of the recommendations made in the initial audit. An updated status and audit finding and recommendation 9 if applicable) is given along with an updated management response from the school.

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Financial Planning - To ensure financial planning is based on accurate and complete information and is aligned to the School's future plans.</i></b>				
1.1	<p>Schools are required by the LA to set balanced budgets each financial year. The School should therefore prepare a plan that demonstrates how any predicted future deficit will be addressed.</p> <p>The revised three-year budget plan should be based on the most up-to-date and accurate financial information available.</p> <p>Any assumptions made in preparing the three-year budget plan must be documented and justified, with modelling of the budget to demonstrate the impact of any such assumptions on future balances.</p> <p>The revised three-year plan should be presented to Governors for consideration and approval.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>January 2015</p>	<p><b>Agreed</b> - A whole school review is underway in order to address the predicted deficit and the school's academic achievement. This review will look at the curriculum, staffing both teaching and non-teaching and the school development plan.</p> <p>The Board of Governors will be involved in all stages of the plan and a task force has been set up with the LA to monitor progress.</p>	<p><b>Status: Implemented</b></p> <p>The School's long term financial plans were presented to the Asset Management Committee in November 2014 and again in March 2015. The Business Manager provided narrative with the plans to explain the assumptions behind the figures e.g. pupil numbers, staff expenditure, inflation etc. Due to the timing of the audit the plan had not been updated to reflect the variation in rollover at the end of 2014/15, and the final budget for 2015/16 had not yet been approved.</p> <p>Steps have been taken by the school and the three year plan presented to Governors is no longer predicting a deficit, this has been achieved through the predicted increase in pupil numbers and a reduction in staff costs. The Leadership Team are aware of the continuing 'structural deficit' and acknowledge that further work is needed to address this in future years and have raised this with Governors.</p>	None.
<b>Updated Management Response:</b>		Not applicable			

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Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Risk: Financial Planning - To ensure that financial planning is based on accurate and complete information and is aligned to the school's future plans.</i></b>				
1.2	<p>The School should outline what action it is taking in order to increase the number of pupils registering with the School, along with the expected effect this will have on pupil numbers.</p> <p>Any assumptions made by the School in terms of future pupil numbers should be clearly reported to Governors, including an explanation if they differ from LA predictions. This should facilitate challenge and highlight the implications of such predictions on future school funding.</p> <p><b>Priority: Medium</b></p>	<p>Head Teacher</p> <p>November 2014</p>	<p><b>Agreed</b></p> <p>A task force has been set up with the remit to develop and implement plans to make Isambard the school of choice for local primaries and local parents. The first meeting is planned for mid-October.</p>	<p><b>Status: Implemented</b></p> <p>The School's financial plan includes the Year 7 pupil number projections provided by the Local Authority. It has also included an in-year increase of five pupils in each year group from 8 to 11, each year when the school currently has an equal in year in-take as in year leavers.</p> <p>The Head Teacher and Chair of Governors confirmed that the School has a strategy for achieving their target numbers, which include the appointment of a Transition and Primary Liaison Officer, and increased marketing.</p> <p>The projected pupil numbers used in the financial plan were presented to Governors at the Asset Management Committee meeting in March 2015. The minutes of this meeting have documented that a lengthy discussion was held on the need to increase pupil numbers until the School is full in all cohorts, but does not go into detail to evidence the key discussions held.</p> <p>In addition, it was identified that minutes of meetings are not produced until a week before the next meeting, which are held approximately every six weeks.</p>	<p>The School should continue to closely monitor pupil numbers to ensure the projected in-year intake increases are achieved.</p> <p>It should be ensured that the financial impacts of any changes from approved plans/projections e.g. failure to achieve in year targets, are highlighted to Governors in a timely manner to ensure that steps to prevent a negative impact on the end of year balance can be planned.</p> <p>Minutes of meetings should be expanded to include details of discussions so that the key points made are documented. In addition, the minutes should be produced in a timelier manner to enable the attendees to check for accuracy while it is still fresh in their minds.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		<p>Agreed. Going forward discussions regarding the monitoring of pupil numbers and the effect on school finances which forms part of a continual review at the Asset Management Committee meetings will be minuted in detail.</p> <p>A new Clerk to Governors is being appointed, the job description for which contains the requirement for minutes to be complete five days after the meeting. Chairs of committees will ensure accuracy and timely distribution of minutes.</p>			

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Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Risk: Financial Planning - To ensure that financial planning is based on accurate and complete information and is aligned to the school's future plans.</i></b>				
1.3	<p>A full review of the staffing structure and staffing requirements at the School should be conducted to ensure it matches, as closely as possible, the current and future needs of the school which should result in best value being secured for the school.</p> <p>This should be conducted as part of the process to revise the three-year budget plan.</p> <p>The staffing review and its impact in terms of both cost and school improvement should be discussed with Governors and formally approved.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>December 2014</p>	<p><b>Agreed</b></p> <p>See 1.1</p> <p>Any school vacancies will be reviewed in detail before recruitment is started. Any staff reductions that are identified before the end of the school year will be progressed in a timely manner. Governors and the LA will be involved in the process.</p>	<p><b>Status: Implemented</b></p> <p>A curriculum review has been carried out by the School which has enabled them to reduce their teaching staff costs. This will come in to full effect in September 2016, when the students currently studying for the year one GCSE's have left.</p> <p>In addition to the curriculum review, the School has recruited two additional Permanent Cover Supervisors to reduce their expenditure on supply teachers and has not filled vacant posts including a Deputy Finance Officer, an Assistant Head Teacher and the Deputy Head Teacher.</p> <p>The outcome of the staffing review, subsequent changes and impact on the School's financial position has been reported to Governors at Asset Management Committee meetings.</p>	None
<b>Updated Management Response:</b>		Not applicable			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Risk: Financial Planning - To ensure that financial planning is based on accurate and complete information and is aligned to the school's future plans.</i></b>				
1.4	<p>The School should urgently review and revise their SDP to address the strategic challenges they face over the coming year. They should ensure that financial decisions are always made in the context of their plans to improve education outcomes, and equally that their education objectives are costed and regularly reviewed alongside the budget.</p> <p>Objectives within the plan should be costed and linked to the budget.</p> <p>The SDP should be a standing agenda item on committee meetings, encouraging regular monitoring and challenge on the progress made.</p> <p>Governors should be presented with monitoring information summarising progress made in delivering SDP objectives.</p> <p>Monitoring of the SDP should include a year-end summary showing what was delivered /achieved and what was not completed that may need to be carried over to the following year.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>October 2014</p>	<p><b>Agreed</b></p> <p>SDP for 2014/15 has been produced based on an evaluation of 2013/14. The SDP is being reviewed as part of the whole school review (see 1.1). It will be fully costed and reviewed by the School's Senior Leadership Team to monitor both financial integrity and objective progress.</p> <p>The SDP will be reviewed as a standing item at all Governor committee meetings as appropriate</p>	<p><b>Status: Implemented</b></p> <p>The Head Teacher has prepared a School Development Plan for September 2014 to July 2015. The plan has five sections for improvement and each section has a number of actions with a completion date, cost (where applicable), impact, success criteria and details of by who, how and when progress will be monitored.</p> <p>Each Sub-Committee has been given responsibility for a section of the plan, and updates are provided at each Committee meeting.</p> <p>Outstanding expenditure on the current plan has been allocated in the 2015/16 budget plan and the Head Teacher and Business Manager are in the process of ensuring that adequate provisions are made in the 2015/16 budget for the 2015/16 School Development Plan.</p>	None.
<b>Updated Management Response:</b>		Not applicable			

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Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Risk: Financial Planning - To ensure that financial planning is based on accurate and complete information and is aligned to the school's future plans.</i></b>				
1.5	<p>The IT Development Plan should be prepared, reviewed and updated alongside the School Development Plan to ensure that it is aligned to the overarching priorities of the School and to inform the financial planning and budget setting process.</p> <p>Given the size of the IT Development Plan, this should feature on the Finance / Asset Management Committee meetings as a separate agenda item where the progress in its implementation can be monitored by Governors.</p> <p>The IT Development Plan should be set out in financial years so that costs can be linked to the School's three-year budget plan. Items that need replacing but are not funded in each financial year can then be rolled forward to ensure that they can be considered the following year.</p> <p>The IT Development plan should also include some assessment of the impact it will have on teaching and standards at the School to ensure informed decisions can be made on which projects should go ahead.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>October 2014</p>	<p><b>Agreed</b></p> <p>Future IT plans will form part of the SDP and will be reviewed as suggested.</p> <p>The plan will be an agenda item on the Finance/ Asset Management meeting and will be reviewed and amended as appropriate to ensure school budgets reflect the real IT needs of the School.</p>	<p><b>Status: Partially Implemented</b></p> <p>The IT Development Plan has been updated and a cost for each year has been set. It was confirmed that these costs have been included in the School's four year financial plan.</p> <p>The IT Development Plan has not been included as a separate item on the Asset Management Committee meeting agenda. It was stated by the Head Teacher that it will be incorporated into the 2015/16 School Development Plan and monitored in this way.</p> <p>There is evidence that Governors have been presented with the reasons for planned expenditure on individual items on the plan, before commitments have been made e.g. wireless upgrade.</p>	<p>It should be ensured that the Governors are provided with monitoring reports of progress made against the IT Development Plan, and the financial and school improvement implications of this.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		Agreed. Going forward this will form part of continual review at the Asset Committee meetings as part of the School Development Plan.			

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Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Risk: Financial Planning - To ensure that financial planning is based on accurate and complete information and is aligned to the school's future plans.</i></b>				
1.6	<p>Monitoring information should be provided to Governors regularly throughout the year and expanded to highlight any variances above an agreed limit determined by Governors, size of any variance, a narrative covering the reasons for it and options for any action that could or should be taken to bring the budget back on track.</p> <p>Governors should be provided with a breakdown of the projected year end balances at each Finance / Asset Management Committee.</p> <p>Where a surplus is deliberately being accumulated by the School, in agreement with the Governors, there should be a clear and documented plan explaining how this money will be accumulated and used.</p> <p>Any build up in surpluses in excess of the limits agreed for secondary schools at School's Forum should be identified promptly and reported to Governors for approval.</p> <p>Training should be provided to Governors to allow them to challenge the School on the reasons for any significant variances, the impact these have on standards at the School and how such balances could be used.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>October 2014 &amp; on-going</p>	<p>Agreed</p> <p>The Finance/Asset Management Meeting is now timetabled to meet five times in the School year with the full Governing Body meeting to agree the budget.</p> <p>Budget reporting will be as prescribed with variances explained and actions agreed, as required.</p> <p>Any future surplus will be fully documented and included in the meeting minutes.</p> <p>Bespoke financial training was provided to Governors by the LA at the end of September and will be discussed at the next meeting of the Finance/Asset Meeting.</p>	<p><b>Status: Partially Implemented</b></p> <p>The Business Manager provides a report of income and expenditure from the School's Financial Management system to Governors at each Asset Management Committee meeting. In addition to this, he provides a report and supporting narrative on the projected variances from budgets at year-end.</p> <p>It was identified that the budget monitoring report produced from the financial management system does not show year-end projections that are in line with the Business Manager's variance report.</p> <p>All Governors have attended Financial Efficiency training delivered by the LA in order to improve their financial knowledge and allow them to challenge the budget monitoring information provided to them.</p>	<p>The Business Manager should make better use of the School's financial management system by profiling the budgets to allow for reporting of year to date and year-end projections.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		Agreed: The Budget for 2015/16 is currently being entered into the Financial system and spread according to expected income and expenditure dates.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>1</b>	<b><i>Risk: Financial Planning - To ensure that financial planning is based on accurate and complete information and is aligned to the school's future plans.</i></b>				
1.7	<p>Governors should be provided with the Local Authority guidelines regarding financial rollovers.</p> <p>Where the Local Authority recommended limits for the rollover of a surplus at a secondary school are likely to be exceeded, this should be reported to Governors promptly and a decision made on how this will be managed.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>October 2014</p>	<p><b>Agreed</b></p> <p>LA guidelines will be issued and discussed at the October Finance/Asset Management Committee and will form part of the controls provided by the Finance/Asset Management as described in 1.6</p>	<p><b>Status: Implemented</b></p> <p>A report from the SBC Director of Children's Services was presented to Asset Management Committee in November 2014. The report sets out that a rollover of £100 per pupil is the LA's suggested reasonable amount. Therefore for Isambard anything above £100,000 will alert the SBC Finance Team.</p> <p>The rollovers projected in the School's financial plan have been agreed by the LA Finance Team and Governors have been informed that the reason for them is to avoid going into a deficit position while the School's expenditure is higher than its income.</p>	None.
<b>Updated Management Response:</b>		Agreed: The Budget for 2015/16 is currently being entered into the Financial system and spread according to expected income and expenditure dates.			



**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>2</b>	<i>Budget setting - to confirm that the budget set for the current year is based on complete and accurate information and is aligned to the future plans for the school.</i>				
2.1	<p>The School's Scheme of Delegation should be amended to include the financial limits for the authorisation of budget virements to ensure that Governors get an overview of any budget changes.</p> <p>Virements that take place following the approval of the Budget by the Governing Body should be first approved by Governors, in accordance with the School's Scheme of Delegation, and recorded in the minutes of the Finance / Asset Management Committee.</p> <p><b>Priority: Medium</b></p>	<p>Head Teacher</p> <p>October 2014</p>	<p><b>Agreed</b></p> <p>Will be completed by end October.</p>	<p><b>Status: Partially Implemented</b></p> <p>The School's Scheme of Delegation was updated to include the limits for approval of virements. This was approved by the Asset Management Committee at the meeting held on the 3<sup>rd</sup> November 2014. A number of changes from the approved 2014/15 budget have been made during the year. The Business Manager has acknowledged that the correct virement procedure was not followed.</p> <p>There is a risk that virements could be used to mask cost centre under and overspends, and therefore should be subject to Governor scrutiny.</p>	<p>For all future virements between cost centre budgets, the correct procedure should be followed, as per the School's Scheme of Delegation. A form for recording and approving virements has been provided at Appendix B, which could be adopted by the School.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		Agreed: The form (Appendix B) will be used and Governor approval sought when any future virements are made.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>2</b>	<b><i>Budget setting (for current financial year) - to confirm that the budget set for the current year is based on complete and accurate information and is aligned to the future plans for the school.</i></b>				
2.2	<p>Contracts that have been in place for a number of years should be formally reviewed to ensure they still offer value for money and are appropriate for the School's needs.</p> <p><b>Priority: Medium</b></p>	<p>Business Manager</p> <p>March 2015</p>	<p><b>Agreed</b></p> <p>All contracts will be reviewed upon renewal or by March 2015.</p>	<p><b>Status: Partially Implemented</b></p> <p>The School has a contracts register in place, which details the renewal date and the date that it should be reviewed to ensure that the school achieves value for money. It has been identified that, due to staff absences, the Finance Team fell behind in the review of a small number of contracts that were up for renewal and the majority of contracts were not up for renewal until after the audit was carried out. Therefore there was a lack of evidence available to demonstrate that the recommendation had been fully implemented. However, the School provided evidence of the review of its photocopier contract where three quotes were obtained and the chosen supplier was approved by Governors. In addition, it was stated that the Business Manager was in the process of obtaining quotes for insurance of the School's minibus.</p>	<p>Contracts that have been in place for a number of years should be formally reviewed to ensure they still offer value for money and are appropriate for the School's needs.</p> <p><b>Priority: Low</b></p>
<b>Updated Management Response:</b>		<p>Agreed: Contracts up for renewal will go through the procedure of obtaining alternative quotes and determining value for money. Any contract without an end date will be investigated before end September.</p>			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>3</b>	<b><i>Budget Monitoring</i></b>				
3.1	<p>The School should prepare cash flow forecasts to allow Governors to see more clearly the impact of their decisions in terms of rollover, expenditure / income levels and their predicted budget deficits. Familiarity with cash flows will also be crucial if and when the School become an Academy.</p> <p><b>Priority: Medium</b></p>	<p>Business Manager</p> <p>December 2014</p>	<p><b>Agreed</b></p> <p>Cash flows will be prepared and used to increase bank interest where possible. This will be also monitored at the monthly Finance/Asset Management Meetings.</p>	<p><b>Status: Implemented</b></p> <p>The Business Manager has produced a cash flow forecast. This was presented to Governors at the Full Governing Body Meeting held on the 20<sup>th</sup> April 2015 to gain approval for investment in a higher interest earning account to increase the School's income.</p>	None.
<b>Updated Management Response:</b>		Not applicable			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>3</b>	<b><i>Budget Monitoring</i></b>				
3.2	<p>In accordance with the Financial Regulations for Schools, three written quotes should be obtained for all purchases over £5,000 and quotations in writing should be obtained for purchases up to the value of £5,000 with more than one written quotation be obtained if reasonably practicable.</p> <p>Orders should be authorised by an appropriate budget holder within their authorisation limits as set out in the School's Scheme of Delegation.</p> <p>Purchase orders should be raised prior to payment, at the point of order, to ensure commitments are appropriately authorised and accounted for and the School's financial monitoring position is up to date. Where the exact cost of a service / item is not known, an estimated order value can be used to ensure a commitment is recorded on the finance system.</p> <p><b>Priority: Medium</b></p>	<p>Business Manager</p> <p>December 2014</p>	<p><b>Agreed</b></p> <p>A review of the School Scheme of Delegation will take place and will be agreed with Governors. Once agreed a training session with all budget holders will take place to ensure understanding and compliance across the School.</p> <p>Purchase orders will be raised to ensure financial commitment is recognised in the accounts.</p> <p>All payment will be made on or around payment due date where possible.</p>	<p><b>Status: Partially Implemented</b></p> <p>Testing on a sample of three purchases over £5,000 found no evidence that quotes had been obtained prior to choosing the supplier. It is noted that these purchases had been made prior to the school introducing a new procedure for purchasing. An additional two purchases above the £5,000 limit, made since the introduction of the new procedure were tested. These had evidence that three quotes and Governor approval was obtained.</p> <p>From testing on a sample of ten purchases made between 1<sup>st</sup> October 2014 and 31<sup>st</sup> March 2015 it was found that each one had appropriate authorisation as set out in the School's Scheme of Delegation. However, for five out of the ten purchases reviewed, the purchase order had been raised on the financial system after receipt of the invoice therefore a commitment had not been made for budget monitoring purposes. It should be noted that the School's Finance Team have had a lack of resources during this period due to staff absence.</p>	<p>Purchase orders should be raised prior to payment, at the point of order, to ensure commitments are accounted for and the School's financial monitoring position is up to date. Where the exact cost of a service / item is not known, an estimated order value can be used to ensure a commitment is recorded on the finance system.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		Agreed: Actioned with immediate effect.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>3</b>	<b><i>Budget Monitoring</i></b>				
3.3	<p>Confirmation that goods or services have been satisfactorily received should not be carried out by an employee who has been involved with authorising the purchase order for that product.</p> <p>Authorisation to pay for the goods and services should always be recorded by an authorised signatory within their authorisation limits.</p> <p>Payments should be made to suppliers within the agreed payment terms unless payment is under dispute, where the reasons for this dispute should also be recorded to explain any payment delays.</p> <p><b>Priority: High</b></p>	<p>Business Manager</p> <p>December 2014</p>	<p>Agreed - This will be included as part of 3.2 above.</p>	<p><b>Status: Partially Implemented</b></p> <p>The School has issued a new purchasing procedure to staff which complies with the Financial Regulations for Schools.</p> <p>Testing on a sample of ten purchases made between 1<sup>st</sup> October 2014 and 31<sup>st</sup> March 2015 found that eight out of ten had the appropriate segregation of duties in the approval of the order, receipting of the goods and approval for payment.</p> <p>Six out of ten payments had been made later than the invoice terms or 30 working days. It is noted that the Finance Team had a lack of resources due to staff absence during this period.</p>	<p>Payments should be made to suppliers within the agreed payment terms unless payment is under dispute. The reasons for disputes should be recorded to explain any payment delays.</p> <p><b>Priority: Low</b></p>
<b>Updated Management Response:</b>		Agreed: Actioned with immediate effect.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>3</b>	<b><i>Budget Monitoring</i></b>				
3.4	<p>The School should devise a Disposal of Assets and Write Off Policy which includes the actions to be taken for obsolete equipment. Decisions to sell equipment should be proposed and formally agreed by Governors with their decision recorded appropriately in the minutes of the relevant Governor meeting. This should record as part of the business case for the sale, both the reason for the sale and the expected sale value / income to be raised.</p> <p><b>Priority: Medium</b></p>	<p>Business Manager</p> <p>December 2014</p>	<p>Agreed</p> <p>Policy will be written and agreed by the Governors. All decisions to sell assets will require agreement from the Governors and recorded in the minutes of the Finance/Asset Committee.</p>	<p><b>Status: Not Implemented</b></p> <p>The Disposal of Assets and Write Off policy has not been updated since the audit. However, it was confirmed by the Business Manager and Head Teacher that no equipment had been sold to staff members, as was identified in the previous audit.</p>	<p>The School should update their Disposal of Assets and Write Off Policy to include the actions to be taken for obsolete equipment. Decisions to sell equipment should be proposed and formally agreed by Governors with their decision recorded appropriately in the minutes of the relevant Governor meeting. This should record as part of the business case for the sale, both the reason for the sale and the expected sale value / income to be raised.</p> <p><b>Priority: Low</b></p>
<b>Updated Management Response:</b>		Agreed: Policy will be rewritten before any assets are sold off.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>3</b>	<b><i>Budget Monitoring (continued)</i></b>				
3.5	<p>School staff, their family or friends should not benefit personally from School Trip arrangements.</p> <p>The School's Policy on Trips should be updated to include the School's approach to the use of volunteers and the participation on trips of staff spouses, partners and families. This should include the payment arrangement should this be deemed appropriate by the School.</p> <p>The staffing arrangements for each trip and the allocation of any free places must be clearly explained on the activities approval form.</p> <p>Any discounts that are received through the organisation of a trip should not be used to the benefit of any of the staff or their partners going on a trip. Other than the staff, all those going on the trip should pay for their proportion of the costs.</p> <p>DBS disclosures should be sought in respect of all adults accompanying pupils on a trip before their tickets and places are arranged in order to avoid the need to cancel a place should a DBS check determine it is necessary.</p> <p><b>Priority: Medium</b></p>	<p>Head Teacher</p> <p>November 2014</p>	<p>Agreed</p> <p>School Trip policy will be updated and agreed by the Governors.</p>	<p><b>Partially Implemented</b></p> <p>The School has not updated its Charging and Remissions policy since the audit. It was stated that the School's procedure for the use of volunteers, partners and family will be included when the policy is up for review and it was confirmed by the Business Manager and Head Teacher that no volunteer of staff family members have attended any school trips since the previous audit.</p> <p>The School's Educational Visits Policy includes the requirement for all adults who will be alone with groups of students to be DBS cleared and it was confirmed that satisfactory clearances were received for the two non-staff adults that attended the Ski Trip in December 2014.</p>	<p>The School's policy on Trips should be updated to include the School's approach to the use of volunteers and the participation on trips of staff spouses, partners and families. This should include the payment arrangement should this be deemed appropriate by the School.</p> <p><b>Priority: Low</b></p>
<b>Updated Management Response:</b>		Agreed: The policy will be rewritten before any volunteers are used on trips.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

<b>Ref.</b>	<b>Recommendations Priority (High/Medium/Low)</b>	<b>Responsible Officer Timescale</b>	<b>Management Response at Time of Audit</b>	<b>Status and Updated Audit Findings</b>	<b>New Recommendations Priority (High/Medium/Low)</b>
<b>4</b>	<b>Governance/ SFVS.</b>				
4.1	<p>The School should draw up a schedule of documents and decisions that need to be reviewed by the various sub-committees and the Full Governing Body each year so that they can be added to the appropriate meeting agendas by the Clerk to ensure that timely decisions are made all policies and procedures are kept up-to-date. Key decisions and approvals should be discussed and minuted at the relevant committee meetings.</p> <p><b>Priority: High</b></p>	<p>Head Teacher</p> <p>November 2014</p>	<p>Agreed</p> <p>The Clerk to the Governors will draw up a schedule by the end of October and ensure items are on appropriate agenda. Key decisions will be discussed and minuted.</p>	<p><b>Implemented</b></p> <p>The School has put in place a Governor work programme, which sets out what each Committee should review at each meeting.</p> <p>In addition, there is a 'Policies, Plans, Publications and Duties' document which sets out when each policy, publication or duty needs to be completed and the current status.</p>	None.
<b>Updated Management Response:</b>		Not applicable			



**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>4</b>	<b>Governance/ SFVS (continued).</b>				
4.2	<p>Benchmarking should be undertaken annually, and also carried out at any time when reviewing school contracts for procuring goods and services. The School should use benchmarking as a contributing factor to:</p> <ul style="list-style-type: none"> <li>• planning and managing their budget;</li> <li>• identifying areas and setting targets for improved use of resources;</li> <li>• achieving value for money in expenditure and improving its effectiveness to improve performance; and</li> <li>• delivering educational services to a defined standard</li> </ul> <p>The results of such benchmarking should be shared with the Finance / Asset Management Committee to determine how the information may be used to drive School performance.</p> <p><b>Priority: Medium</b></p>	<p>Business Manager</p> <p>December 2014</p>	<p>Agreed</p> <p>Discussions with LA will take place to review appropriate benchmarking sources. The result of benchmarking will form part of a regular agenda item on the Finance/Asset Management Meeting.</p>	<p><b>Not Implemented</b></p> <p>The school has not yet carried out any benchmarking of the schools finances.</p>	<p>Benchmarking should be undertaken annually, and also carried out at any time when reviewing school contracts for procuring goods and services. The results of such benchmarking should be shared with the Finance / Asset Management Committee to determine how the information may be used to drive School performance.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		<p>Agreed. In line with SFVS action plan benchmarking will be investigated and a plan for it used devised. It will begin with looking at income streams at similar maintained schools.</p>			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>4</b>	<b>Governance/ SFVS (continued).</b>				
4.3	<p>The School should look to increase the involvement of Governors through their Committee meetings, encouraging questions, challenge and guidance on key financial issues such as:</p> <ul style="list-style-type: none"> <li>Financial planning</li> <li>The level of rollover</li> <li>Significant variances to budget</li> <li>Benchmarking</li> <li>Budget setting</li> <li>The School Development Plan.</li> </ul> <p>When the Governors skills matrices are next completed, the School should determine what training should be provided to Governors to encourage their involvement, including:</p> <ul style="list-style-type: none"> <li>Governor Support training</li> <li>Support from the LA Finance Team</li> <li>Working with other schools etc.</li> </ul> <p>Minutes must clearly reflect the discussions that take place at these meetings, and particularly any challenge provided by Governors on financial matters to demonstrate that they are fulfilling their statutory duties.</p> <p><b>Priority: High</b></p>	<p>Governing Body</p> <p>December 2014</p>	<p>The minutes were not a full and accurate record of the meetings. The person who took those minutes is no longer doing so and the current Clerk to the Governors will be taking these going forward. Previous audit has identified the Clerk takes good quality minutes. Presentations will show changes over time to ensure better challenge by Governors.</p> <p>A skills audit has been completed which identified areas to improve, financial training from SBC booked for 22.09.14. Looking to recruit Associate Governor with accounting skills for 18 months.</p>	<p><b>Partially Implemented</b></p> <p>Governors have attended financial training and 'Governing Body Building' training delivered by the SBC Finance Team and Governor Support.</p> <p>Analysis of the minutes found evidence of Governors challenging and questioning the information presented to them and of the Head Teacher and Business Manager inviting them to ask questions. However, as noted in AP 1.2 above, key details of the discussions were sometime missing from the minutes.</p> <p>Since the previous audit three new Governors who have financial knowledge and experience have been appointed.</p> <p>The School intends to complete the Governor skills matrix once all Governors have been appointed.</p>	<p>When the Governors skills matrices are next completed, the School should determine what training should be provided to Governors to encourage further involvement and fulfilment of the 'critical friend' role.</p> <p><b>Priority: Low</b></p> <p>See AP 1.2 above for the recommendation regarding details of minutes of Governors Meetings.</p>
<b>Updated Management Response:</b>		Agreed.			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>4</b>	<b>Governance/ SFVS (continued).</b>				
4.4	<p>The frequency of Finance / Asset Management Committee meetings should be increased to ensure Governors have sufficient time to determine what, if any, action they may need to take in relation to the issues raised.</p> <p>Agenda items should be prioritised with sufficient time allocated for a full discussion by the Governors. This will enable a full and open challenge of the financial position of the School.</p> <p><b>Priority: High</b></p>	<p>Governing Body</p> <p>October 2014</p>	<p>The Finance and Staffing Committees have been combined so they will now meet 5 times a year (approx. every 2 months). This will also include an autumn work programme for Asset Management. FGB budget approval by FGB April 2014.</p>	<p><b>Implemented</b></p> <p>The number of Asset Management Committee meetings has been increased to every two months and meetings are scheduled for longer than an hour to ensure that there is sufficient time for a full discussion.</p>	None.
<b>Updated Management Response:</b>		Not applicable			
4.5	<p>Decisions that are taken by Governors outside of the normal committee meeting cycle should be recorded in subsequent minutes to provide a clear record of any decision made.</p> <p>Action points from meetings should be clearly marked as such with the initials of the person responsible for their implementation.</p> <p>The action points should be followed up at subsequent meetings and marked as resolved when they are completed.</p> <p><b>Priority: High</b></p>	<p>Governing Body</p> <p>November 2014</p>	<p>Agreed</p> <p>There will be a standard agenda item called 'Decisions Since Last Meeting' on all Governor committee agendas to detail anything agreed via email. A 'nil report' will be made if that is appropriate.</p>	<p><b>Implemented</b></p> <p>The agenda for the Asset Management Committee now includes an item for decisions made outside of meetings. Minutes of meeting include an action plan with a description of the action, who is responsible and a timescale for completion. Minutes note that at the beginning of each meeting previously agreed actions are reviewed to ensure that they have been complete or are on track to be completed by their due date.</p>	None.
<b>Updated Management Response:</b>		Not applicable			

**Swindon Internal Audit Services: Isambard Community School Follow-Up 15/16**

Ref.	Recommendations Priority (High/Medium/Low)	Responsible Officer Timescale	Management Response at Time of Audit	Status and Updated Audit Findings	New Recommendations Priority (High/Medium/Low)
<b>4</b>	<b>Governance/ SFVS (continued).</b>				
4.6	<p>The School's SFVS self-assessment should be fully discussed with all Governors to ensure those with responsibility for the financial management of the School have assurance that it is being managed appropriately.</p> <p>The remedial action plan to address any areas requiring attention should be updated to resolve any issues raised in the Action Plan to this report and at <a href="#">Appendix A</a>. This should be monitored by Governors to ensure prompt implementation of agreed actions.</p> <p>Both the SFVS self-assessment and the action plan should be formally approved by the Governing Body.</p> <p><b>Priority: High</b></p>	<p>Governing Body</p> <p>November 2014</p>	<p>Agreed SFVS will be discussed at the Finance and Asset Committee along with action necessary to address weaknesses, as highlighted in this report and any other deficient area. Future compliance will be managed through this Committee.</p> <p>The Business Manager and Governing Body will collaboratively work together to complete future SFVS. Completion date – end of March 2015.</p>	<p><b>Partially Implemented</b></p> <p>The 2014/15 SFVS return was completed by the Head Teacher, Business Manager and Chair of Governors and was presented to the Full Governing Body (FGB) for discussion on the 20<sup>th</sup> April 2015. This was after the date that it was submitted to the LA (31<sup>st</sup> March 2015).</p> <p>It was discussed at the FGB meeting that completion of the 2015/16 return will be scheduled from November 2015 so that sections can be completed at the Asset Management Committee to ensure it is completed by all those with responsibility for the financial management of the School.</p> <p>Where the SFVS return has been completed with an 'In Part' or 'No' answer, an action plan point has been created with action details, responsibility and completion date.</p> <p>The return was reviewed by the Auditor and found to be an accurate reflection of the financial standards at the School.</p>	<p>It should be ensured that the 2015/16 SFVS return is completed with full involvement of those with financial responsibility for the School.</p> <p>The LA Finance Team has issued guidance for schools on the completion of their SFVS, which the School may find useful for the completion of their 2015/16 return.</p> <p><b>Priority: Medium</b></p>
<b>Updated Management Response:</b>		Agreed. A plan for improving our response and involvement of the Asset Committee has already been agreed.			

### Standard Audit Opinions

The audit opinion is based on two different criteria the first is materiality of the system and its impact on the Council if there was a system failure. This has been split into High, Medium or Low.

The second criteria is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and fundamental weaknesses identified. Each of these categories has a standard opinion (see below).

The combination of these two factors gives an overall risk assessment to the Council of one of four scores i.e. significant, of concern, moderate or minimal (see Overall Opinion section in the main report).

### Standard Audit Opinion System Control

#### **Audit Opinion 1. *High standard***

The auditor completing the review concluded the significant controls are in place and operating effectively and only minor recommendations have been made

#### **Audit Opinion 2. *Satisfactory standard***

The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.

#### **Audit Opinion 3. *Significant improvements required***

The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

#### **Audit Opinion 4. *Fundamental weaknesses identified***

The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.

## VIREMENT FORM



SWINDON  
BOROUGH COUNCIL

Financial Year:

[illegible]

Authorised By : \_\_\_\_\_ Headteacher  
Date \_\_\_\_\_

## Acknowledgements

Internal Audit would like to acknowledge and thank the following Officers who contributed to the review:

<b>Name</b>	<b>Job Title</b>
Sue Banks	Isambard – Head Teacher
Robert Shorter	Isambard - Business Manager
Lara Knight	Isambard - Finance Officer
Kevin Gray	Isambard - Chair of Governors
Anne Mackay	SBC Finance Manager - Education
Simon Byford	SBC School Place Planning Information Manager