**Academy**

**Internal Controls Evaluation**

**Review Report 3 of 3**

**2020-21**

**Academy Name: Shenfield High School**

**Date of Review: May 2021**

**INTERNAL CONTROLS EVALUATION (ICE)**

# This report relates to the third of a programme of three Internal Controls Evaluation reviews. All findings contained in this report should be considered by the academy’s committee responsible for providing assurance over the suitability of, and compliance with, the financial systems and operational controls in place.

Key:

High Priority: Trustees/Governors must review this recommendation as a priority.

Medium Priority: Internal controls should be strengthened to minimise risk.

Low Priority: Internal control could be strengthened in line with best practice, but little risk of material loss.

For information.

Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.

# The Juniper Education Academy ICE Service can provide assurance that appropriate financial controls are being operated within the academy, based on the understanding that the information provided during the review is accurate and complete. It should be noted however that recommendations to improve financial controls, if implemented, cannot guarantee that penalties, fraud or misappropriation could not occur.

# The scope below contains references to the Academies Financial Handbook (AFH) effective 1st September 2020, the Anti-Fraud Checklist for Academy Trust's updated by the Education & Skills Funding Agency (ESFA) March 2018 and the Self Resource Management Self-Assessment Tool (SRMSAT).

# It is advised that an action plan be established to address areas of risk identified within this report, with an associated owner and a timeline for implementation. If trustees/governors decide not to implement any recommendation included in this report as high priority, the rationale should be formally recorded in the minutes of a board of trustee / governing body meeting.

**Please note that this report is an exception report and therefore only contains the details of any issues arising from the review of the scope of work detailed below.**

# SECTION H: GOVERNANCE AND FINANCIAL ACCOUNTING

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| --- | --- |
| **Scope of Work** | |
| **H1: Internal Scrutiny:** | * review of internal controls evaluation scope of work |
| * review of internal controls evaluation reports |
| * follow up of previous ‘high priority’ ICE recommendations |
| * review of statutory audit Management Letter |
| * review of Dear Accounting Officer letters |
| * frequency of board and committee meetings |
| **H2: Internal Control:** | * bad debt write-off |

|  | **Findings** | **Recommendation / Notes** | **Action Plan** |
| --- | --- | --- | --- |
|  | **H1: Internal Scrutiny** | | |
|  | **Review of Internal Controls Evaluation Reports** | | |
|  | The academy is reminded of the new requirement detailed opposite. | Trusts are reminded of section 3.23 of the Academies Financial Handbooks which states that the trust **must** submit its annual summary report of the areas reviewed, key  findings, recommendations and conclusions of financial and non-financial internal scrutiny to the ESFA by 31 December each year when it submits its audited annual accounts. |  |
|  | **Review of Dear Accounting Officer letters** | | |
|  | The School Business Manager advised that the Dear Accounting Officer Letters are not made available to the members and the senior leadership team.  It is acknowledged that Dear Accounting Officer Letters are made available to trustees via Weebly. | Section 6.2 of the Academies Financial Handbook states that Accounting Officers **must** share ‘Dear Accounting Officer’ letters with their members, trustees, Chief Financial Officer and senior leadership team, and arrange for the board to discuss it and take action, if necessary, to strengthen financial controls. |  |
|  | **H2: Internal Controls** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |

# SECTION I: EXPENDITURE

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| **Scope of Work** | |
| **I1: Internal Procedure:** | * delegated authorisation levels |
| * purchase cards |
| * petty cash |
| **I2: Proper and Regular Use of Public Funds:** | * value for money procedures |
| * quotations |
| * tenders |
| **I3: Internal Control:** | * sample testing of purchase orders & invoices |
| **I4: Tax Implications:** | * payments made to individuals for HMRC compliance |
| **I5: Related Parties:** | * recognising related party relationships |
| * related party transactions |

|  | **Findings** | **Recommendation / Note** | **Action Plan** |
| --- | --- | --- | --- |
|  | **I1: Internal Procedure** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |
|  | **I2: Proper & Regular Use of Public Funds** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |
|  | **I3: Internal Control** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |
|  | **I4: Tax Implications** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |

|  | **Findings** | **Recommendation / Note** | | | **Action Plan** |
| --- | --- | --- | --- | --- | --- |
|  | **I5: Related Parties** | | | | |
|  | **Recognising Related Party Relationships** | | | | |
|  | The Finance Manager advised that the academy has not transacted with any related parties so far during the current financial year. | | Attention is drawn to sections 5.43 to 5.54 of the Academies Financial Handbook. The academy should ensure adherence to the requirements in the handbook should they enter into any transactions with related parties in the future. |  | |

# SECTION J: PAYROLL

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| **Scope of Work** | |
| **J1: Payroll Processing:** | * authorisation |
| * contract change approval & segregation of duties |
| * sample of staff contracts and payments |
| **J2: Special Payments:** | * approved policy |

|  | **Findings** | **Recommendation / Note** | **Action Plan** |
| --- | --- | --- | --- |
|  | **J1: Payroll Processing** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |
|  | **J2: Special Payments** | | |
|  | Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. | | |

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| **USEFUL NOTES** |
| **We value your feedback….**we are continually striving to improve our service and welcome your comments. Please click [here](https://tt-survey-live.azurewebsites.net/index.php?r=survey/index&sid=598253).  **Useful information for you….** Juniper Education’s Internal Control Evaluation (ICE) service is only part of the overall Financial Governance package available to academy trusts. Our **Governor Services** Team can provide your governing body with updates on national guidance, compliance support, assistance with governor recruitment and advice on technical procedures; from complaints to student exclusions.  Our **Clerks** have a wealth of knowledge about governance, access to the latest developments in educational legislation and a wealth of templates and other resources to support your governing body. If you already subscribe to Governor Services click <https://junipereducation.org/login/> to access model policies and other resources available to you.  **Courses available…..** Juniper Education offer bespoke governor finance training and Headteacher / Senior Leader Finance Training – please ask for details. Alternatively, details of all courses being offered can be found on <https://www.junipercpd.org/cpd/> |

# KEY CONTACTS

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| **Financial Accounting System** | FMS |

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