



# Brecon High School

## 360° Control Assessment

Issue Date: 4<sup>th</sup> October 2023

Unrestricted

# Summary

## Overall Assurance Opinion



There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

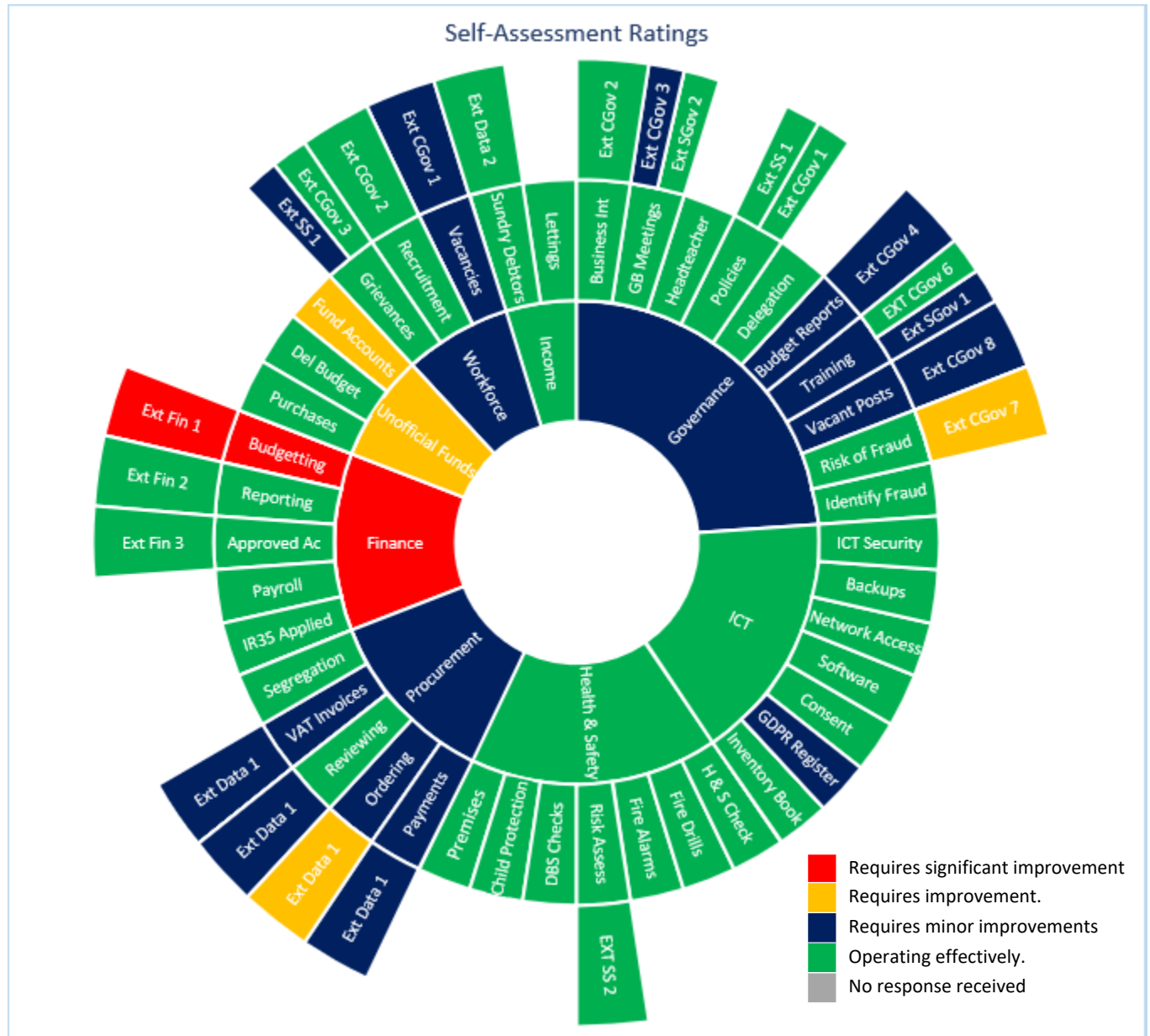
## Number of Actions and Status

Priority	Total Number	Agreed By School	Not Agreed by School
Priority one	1	1	
Priority two	1	1	
Priority three	11	11	







## Background and Scope of the Audit

This report is based on the self-assessment questionnaire completed by the school and various external support elements such as the Chair of Governors, Powys County Council Schools Finance and Schools Support Teams.

The Chart to the right shows the perceived score from both the school (second ring starting SSA) and the external support (outer ring starting Ext). These scores feed into an overall score for each of the seven areas assessed (third ring).



## Key Findings and Agreed Actions

 <b>Governors</b>	<p>The school have satisfactory governance arrangements in place and the Governors play an active role in the management of the school and its budgets. Areas of concern that require improvement are:</p> <ul style="list-style-type: none"> <li>• The school have not formally reported on the risk of fraud to the Governing Body for approval.</li> <li>• Detailed budget monitoring reports are presented on a termly basis.</li> <li>• The Headteachers roles and responsibilities have not been approved by the Governing Body and defined for the delegation and budget management.</li> <li>• The school have all the statutory policies in place, although not all have been reviewed.</li> </ul>
 <b>ICT</b>	<p>Good controls ensure ICT security is monitored and controlled, and the school receive support from their in-house ICT Unit. The only area of concern was that the school do not maintain a complete GDPR Information Asset Register.</p>
 <b>Health &amp; Safety</b>	<p>Health and Safety procedures are in place and regularly reviewed.</p>
 <b>Procurement</b>	<ul style="list-style-type: none"> <li>• The school have satisfactory controls and adequate separation of duties to ensure that purchases are made in line with Financial Regulations.</li> <li>• The school have stated that most of the invoices are attached within the system, with the lack of invoices the school will be recharged the unrecoverable VAT.</li> <li>• Purchase orders are mostly raised prior to receiving the goods. However, financial control and VAT accounting will be improved if all transactions are made through the corporate Eprocurement system.</li> <li>• On average, there is a lengthy delay when passing invoices for payment. There were 75 Instances of purchases being made without an appropriate Purchase Order being raised.</li> </ul>
 <b>Finance</b>	<p>The main area for concern at the school is the management of the budget,</p> <ul style="list-style-type: none"> <li>• The school are operating with an unlicensed budget.</li> <li>• The budget plan submitted in May was balancing in-year in future years, so the school was not requested to submit a recovery plan. The schools finance team are monitoring forecasts submitted to ensure this position continues.</li> <li>• Financial process and internal controls within the school need reviewing for robustness.</li> <li>• Uncertainty over the accuracy of the budget forecast submitted.</li> </ul> <p>The school are currently working closely with the Schools Finance Support Team to create an in year balanced budget and operate within it. This is forecast for this year and the foreseeable future, with the school expected to make a small surplus every year which will go towards recovering their accumulative overspend.</p>
 <b>Unofficial Funds</b>	<p>The level of the voluntary funds are high (£131k) . The School stated that procedures are followed, but the voluntary fund accounts have not been formally audited in the last 5 years. This is in breach of section 2.8 of the Powys scheme for the financing of schools. Therefore, the Auditors cannot give any assurances that expenditure is legitimate and that the relevant controls are in place to protect against fraud.</p>

**Workforce**

Currently there are long-term vacancies at the school which result in the school using agency staff, and this has a negative impact on the budget. There are no known issues at the school.

**Income**

Appropriate procedures and controls are in place for monies due direct to the school budget. The school is used for letting with an appropriate lettings policy and booking form in place.

**Other Comments**

The opinion given in this report is based on historic data and the known position at the time of the audit. The Auditors recognise that there is a willingness by the school to operate within a balanced budget and has faced unforeseen expenditure that has had an impact on the ability to deliver this. A follow-up audit will be undertaken within the next 6 months to confirm that the agreed actions have been implemented.

**Appendix 1: Findings**

Agreed Action	Responsible Officer	Target date	Priority
The Governing Body or the Finance & Premises committee to review detailed budget reports monthly.	Governing Body	31/03/2024	3
Roles and responsibilities of the Headteacher will be approved.	Governing Body	31/03/2024	3
The school and Governors will review and report on the risk of fraud within the school.	Governing Body	31/03/2024	3
All policies will be presented to the Governing Body	Headteacher	31/03/2024	3
The school will ensure that a complete full complement of Governors is in place.	Headteacher	31/03/2024	3
A complete GDPR Information Asset Register will be maintained.	Headteacher	31/03/2024	3
All receipts will be attached within the Purchase Card system.	Headteacher	31/03/2024	3
Purchase orders will be raised prior to receiving the goods.	Headteacher	31/03/2024	3
All invoices will be processed and approved for payment within the appropriate timescale.	Headteacher	31/03/2024	3
The school will comply with the regulations stipulated in the Scheme of Financing for Schools and produce an approved balanced budget and recovery plan and achieve it.	Headteacher	31/03/2024	1
Financial processes and internal controls within the school will be reviewed for robustness.	Headteacher	31/03/2024	3
Additional training will be introduced for financial related matters.	Headteacher	31/03/2024	3
The previous 4 years and current years school fund accounts will be audited and completed annually thereafter. Copies of all the audited accounts to be issued to SWAP Internal Audit Services upon completion	Headteacher	31/03/2024	2

**Theme 1: Governance Arrangements**

To ensure Governors play an active role in the management of the school and its budgets.

**Inherent Risk**

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	<b>Chair of Governors (Ext CGov), Schools Governance Support Findings (Ext SGov) and School Support (Ext SS)</b>
<i>Business Int</i>	All of the Governors have completed and signed a declaration of Business and Personal interests.	<i>Ext CGov 2</i>	All governors understand conflicts of interest and the Chair of Governors has confirmed they have completed and signed a Declaration of Business Interest form within the last 12 months.
<i>GB Meetings</i>	Appropriate sub-committees are in place and meet on a regular basis, whilst the Full Governors meetings take place on a termly basis. Minutes are taken of the meetings and approved by the Governing Body.	<i>Ext SGov 2</i>  <i>Ext CGov 3</i>	The schools Governors hold regular meeting to undertake their duties, which are minuted.  The Full Governors, Finance and School Standards meetings are held on a termly basis. Minutes are presented for scrutiny.
<i>Headteacher</i>	The Headteachers roles and responsibilities have been approved by the Governing Body and defined for the delegation and budget management in the last 12 months.	<i>Ext CGov</i>	The Governing Body have not approved all the Headteachers roles and responsibilities in the last 12 months.
<i>Policies</i>	The school has all the statutory policies in place. All policies have been presented to the Governors for approval.	<i>Ext CGov 1</i>	Not all policies have been received for approval.
<i>Delegation</i>	The Governing Body has agreed or performed the Headteachers review, Headteachers delegation, staff structure, Financial Arrangements, Property Maintenance, Business Continuity & Disaster Recovery Plan and Fees and Charges on an annual basis.		
<i>Budget Reports</i>	Detailed budget monitoring reports are seen by the Governing Body on a half termly basis, ideally the Governing Body or appropriate sub-committee should review these monthly	<i>Ext CGov 4</i>	Detailed budgets are presented to the Governing Body for scrutiny termly.
<i>Training</i>	All Governors have attended the mandatory training within agreed timescales. All Governors induction training and Data training have been completed.	<i>Ext SGov 1</i>  <i>Ext CGov 5</i>	The majority of Governors have attended their mandatory training. The LA Governor appointed in June 2022 still has the mandatory training to complete.  All school Governors have attended their mandatory training.
<i>Vacant Post</i>	Currently there are two vacant Governing Body Posts at the school.		Currently the school has 2 vacant posts, which relate to 1 staff Governor, and Parent governor.
<i>Risk of Fraud</i>	The Governing Body have considered the risk of fraud at the school.	<i>Ext CGov 7</i>	The Governing Body have not considered the risk of fraud at the school. The Chair is not aware that fraud risks have been considered.
<i>Identify Fraud</i>	The school works with the Local Authority to discuss fraud and identify risk and the school also follows Local Authority's policies.	<i>Ext Gov 6</i>	

**Theme 2: ICT Security & Assets**

To ensure ICT security is monitored and controlled and to ensure the property and assets of the school are protected against loss or theft.

**Inherent Risk**

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	
<i>Info</i>	The school receives ICT support from their own inhouse provisions. The school and staff receive feedback from them.		
<b>Theme 3: Health &amp; Safety</b>	<b>Health and Safety procedures are in place</b>		
<i>ICT Security</i>	Security patches and anti-virus software are updated within a week of its release		
<i>Backups</i>	Computers are backed up in real time.		
<i>Network Access</i>	Access to the network is controlled with individuals are assigned rights based on their role or requirements.		
<i>Software</i>	An annual software licence reconciliation is carried out.		
<i>Consent</i>	The school has in place a parental consent form for pupils' access to the schools' computers.		
<i>GDPR Register</i>	The school does not maintain a complete GDPR Information Asset Register.		
<i>Inventory Book</i>	The school have an asset inventory book, which is reviewed annually.		
<i>Info</i>	The last inventory check took place on – 31 <sup>st</sup> May 2022		

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	<b>School Support Findings</b>
<i>H &amp; S Check</i>	The school has had a Health & Safety check in the last 12 months.		
<i>Fire Drills</i>	Fire drills and school lockdown drills are carried out on a termly basis.		
<i>Fire Alarms</i>	Fire alarms are tested weekly.		
<i>Risk Assess</i>	Up to date Risk Assessments have been carried out for fire, Health & Safety, Trips, outdoor equipment, building condition, fume extraction compliance and Keeping Learners Safe. The annual risk assessments have been submitted to the School Support Team. There were minor issues arising for the latest risk assessments that have been rectified.	<i>EXT SS 1</i>	All risk assessments have been received from the school. No issues have been reported.
<i>Info</i>	Policies exist for reporting accidents and incidents.		
<i>DBS Checks</i>	All staff, Governors, volunteers, cleaners, and kitchen staff have appropriate DBS checks in place.		
<i>Child Protection</i>	All teaching staff at the school have received Child Protection training.		
<i>Premises</i>	Appropriate controls are in place for the general security of the building.		

## Theme 4: Procurement

All purchases are made in line with Financial Regulations

Inherent Risk

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	<b>Finance Data Findings</b>
<i>Info</i>	The school have a comprehensive purchasing guide which staff use.		
<i>Info</i>	The school use several purchase cards, an official order book and EProcurement when making purchases for goods and services.		
<i>Segregation</i>	There is a clear segregation of duties with all purchases being approved by a secondary officer.		
<i>VAT Invoices</i>	The school has confirmed that most of the invoices are attached within the Barclay Card system, with VAT invoices being used when claiming back the VAT.	<i>Ext Data 1</i>	The Purchase card data report highlighted that there was a total of 431 transactions of which 27 did not have the official receipt attached within the system. This represents 6.3% of the overall total. By not including the official receipts a total of £69.51 is unrecoverable VAT, all of which will be recharged back to the school.
<i>Reviewing Info</i>	Weekly reviews are undertaken by the budget holder on purchases.	<i>Ext Data 1</i>	All purchases are reviewed on a regular basis.
		<i>Ext Data 1</i>	On average the school spend £2,136 a month with total transactions of 38.
<i>Ordering</i>	Purchase orders are mostly raised before goods and services are received.	<i>Ext Data 1</i>	It is found that a total of £110,000 gross relating to 75 transactions had no PO
<i>Payments</i>	Not all invoices are passed for payment within 10 days of receiving them	<i>Ext Data 1</i>	On average payments are passed for payment within 51 days.

## Theme 5: Finance

To ensure that the school has established a formal budget planning process and performance against budget is reported regularly, appropriate action is taken to correct significant variances.

Inherent Risk

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	<b>School Finance Findings</b>
<i>Info</i>	Balance at end of last Financial Year was – in deficit of £1,470,703		£1,470,703 deficit
<i>Budgeting</i>	The school does have a realistic sustainable and flexible financial strategy in place.	<i>Ext Fin 1</i>	<p>The schools are forecasting to balance in year 2024/25 with a prediction to reduce the deficit each year thereafter. The budget is unlicensed due to the scale of the cumulative deficit but subject to an agreement by Senior Management of the Council. A Warning Notice was issued in 2019 and continues to be in place.</p> <p>Deficit balances for the period:            End of 2022/23 £1,717,436            End of 2023/24 £1,733,745            End of 2024/25 £1,692,342            End of 2025/26 £1,503,342            End of 2027/28 £1,293,446</p> <p>Whilst the school have prepared an informal financial proposal, they have not produced an approved recovery plan/business case for reducing a deficit budget The budget plan submitted in May was balancing in-year in future years, so the school was not requested to submit a recovery plan. The Schools finance team are monitoring forecasts submitted to ensure this position continues.</p> <p>PCC's Central Schools Finance team are not confident that the budget forecast submitted is achievable as there are large fluctuations in net expenditure between months.</p> <p>At the time of the audit (September 2022), the School's Finance Manager had been in post for 18 months and needed a lot of support from the central school's finance team. Financial processes and internal controls needed to be reviewed for robustness. The central Schools Finance team (with support from School Improvement and HR) were offering an in-depth finance and curriculum review to help the School identify potential options for reducing their net expenditure.</p> <p>The fluctuating balances and lack of confidence in the achievability of the budget forecast submitted is a significant risk and concern to the authority.</p>



<i>Info</i>	The school is in a deficit position, which is not licensed, and the school has not produced a Business Case or recovery plan for the deficit	<i>Info</i>	The school is forecasting a reduction in the deficit each year.
<i>Reporting</i>	Monthly financial reports are received from Powys Finance Department, which are monitored and approved by the Headteacher.	<i>Ext Fin 2</i>	Monthly reports are sent to the school, and the school has the facility to run Governors reports.
<i>Approved Ac</i>	Approved monthly accounts are being sent through to the finance team.	<i>Ext Fin 3</i>	Monthly accounts are generally received from the school.
<i>Payroll</i>	Payroll expenditure reports are checked monthly, this includes any additional payments.		
<i>IR35 Applied</i>	The school has confirmed that IR35 is applied to any off-payroll work.		
<i>Info</i>	At the time of the audit the last financial surgery had taken place on 9 <sup>th</sup> November 2022. There has since been one on 11 September 2023.		

**Theme 6: Unofficial Funds**

Sound controls are maintained, and appropriate procedures are followed in relation to school voluntary funds.

Inherent Risk

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	
<i>Info</i>	The school maintains an unofficial school fund bank account, the current balance is £131, 199		This is a high balance for a voluntary fund. School Officers are the stewards of these funds
<i>Annual Ac</i>	The school accounts have not been audited on an annual basis,		The voluntary fund accounts have not been audited for five years. It is an annual requirement of the school scheme of finance to maintain records, prepare accounts, undertake independent audits and present those to the parents.
<i>Info</i>	The last audit of accounts took place on – 24 <sup>th</sup> May 2018		
<i>Del Budget</i>	No delegated budget money is paid into the school fund.		Without formal accounts and independent audit, no assurance can be given in this area.
<i>Purchases</i>	Non-school items are not purchased from the delegated budget.		Without formal accounts and independent audit, no assurance can be given in this area.

**Theme 7: Workforce**

Effective recruitment processes are in place and issues/grievances are well managed.

**Inherent Risk**

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	<b>Chair of Governors (Ext CGov) and Schools Support Findings (Ext SS)</b>
<i>Vacancies</i>	The school currently have long terms vacancies that has a minor impact on the school's ability to operate efficiently.	<i>Ext CGov 1</i>	
<i>Recruitment</i>	The school struggle to recruit permanent members of staff that they have to rely on agency staff which has a detrimental impact on the school budget.	<i>Ext CGov 2</i>	
<i>Grievances</i>	There are currently no issues or grievances ongoing at the school	<i>Ext CGov 3</i> <i>Ext SS 1</i>	Currently there are known grievances/complaints ongoing at the school.

**Theme 8: Income**

Appropriate procedures and controls are in place for monies due direct to the school budget.

**Inherent Risk**

<i>Chart ref</i>	<b>School Finding</b>	<i>Chart Ref</i>	<b>Finance Data Findings</b>
<i>Info</i>	Income received at the school is receipted. Income is locked within the safe prior to banking. Banking is carried out as soon as possible.		
<i>Info</i>	ParentPay is used by parents to pay for school meals and school trips. Currently there is a total of £775 in outstanding debts.	<i>Ext Data 1</i>	ParentPay Data reports highlight that the total debt outstanding is £1,716, of which £1,150 related to the Ski Trip for 2023 and £566 for the New York trip 2023.
<i>Lettings</i>	The school is used for lettings.		
<i>Info</i>	An appropriate booking form and lettings policy are in place.		
<i>Sundry Debtors</i>	Invoices are raised in-house using Efinancials.	<i>Ext Data 2</i>	