



# Internal Audit in Schools

## Introduction

There is a clear requirement, as specified with the DfE's and ESCC's Scheme for Financing Schools for Internal Audit to visit schools.

Our aim is to provide assurance that there is adequate financial management and governance in schools. As part of this process we will be reviewing the risks associated with your school and evaluating the control environment. We hope to work with you in identifying any control weaknesses and developing solutions that minimise risk. We aim to provide a friendly professional service, offering advice where requested.

This document covers the process for a full school audit. We are also able to offer themed audits which may be on a particular area and information might be gathered across a number of schools. In this case the school will not always receive the full audit report but may receive an advice note that is specific to your school.

## Reporting

It is important that the key messages resulting from Internal Audit work are communicated to the senior leadership team, including Governors who maintain overall responsibility for the resources allocated to schools. The school should inform Governors when an audit visit is taking place. Governors may wish to meet with the auditor during the visit or contact the auditor by email or telephone.

At the end of the audit, the school will receive a draft audit report. This is an opportunity for the school to check the report and inform the auditor of any inaccuracies. The school may be asked to submit further evidence to support any changes made to the report. The school will also be asked for a management response to each finding which will form an action plan for the school.

Once the management response is completed and reviewed the final report will be issued. Where appropriate, Internal Audit will report areas of serious concern, significance or commonality to Children's Services Management so that they can consider issues and risks for all schools and colleges.

## Objectives and scope of audit

The primary objectives of the audit are to:

- Assess the extent of compliance with statutory requirements, financial regulations, Council policy, and other relevant codes of practice;
- Evaluate the internal control environment to determine the extent to which controls promote compliance with statutory requirements, policies and procedures prescribed in Financial Regulations, and other policies in respect of Schools; and
- Assess the extent to which the Headteacher and Governing Body have implemented adequate and effective financial and management controls to safeguard the assets of the School and to ensure the economical, efficient, and effective use of resources.

The audit approach will include examining, on a sample basis, evidence supporting transactions recorded in the operational and accounting records, conducting interviews with officers within the School and applying audit procedures as considered necessary. The Headteacher and Governing Body should note that our audit may not necessarily highlight all areas where there are weaknesses. Due to the limited nature of our tests, errors or irregularities may occur and may not be detected during the audit.

The audit will cover the following areas:

- Governance arrangements
- School Development Plan
- Financial planning and budget monitoring
- Procurement (including contracts, high value expenditures, leasing agreements and day to day transactions)
- Receipt of income and reporting
- Banking
- Reconciliations
- Payroll and Personnel Procedures
- Voluntary funds
- Asset management and safeguarding
- Petty cash and staff expenses

## Information required in advance of the visit

To minimise the time we need to spend visiting schools we routinely ask for some information in advance of our visit. Please send to the auditor electronic copies of the items listed in Appendix 1 at least a week before the scheduled visit. All Governing Body files should be kept at the school and should be available at the time of the audit visit, including the register of pecuniary and business interests.

## Appendix 1

- Governing Body and staffing structure
- Terms of Reference for the Governing Body Committees
- Minutes from the full board and finance committee for the last 12 months.
- Calendar of Planned Governing Body meetings
- Scheme of Delegation
- Local Financial Procedures
- Examples of recent budget monitoring
- Three year budget
- School Development Plan
- Examples of benchmarking analysis
- Lettings Policy
- School Charging Policy
- ICT policy / Acceptable Usage
- Business Continuity / Crisis Management Plan

## Contact Details

Should you require any further information or wish to discuss accessing any of our services, please contact either:

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Or

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