

Report to the Trust Board of Urmston Grammar School

Summary of Internal Scrutiny

2020/21



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

1 Statement of Responsibility

We have undertaken our Internal Audit Visits in accordance with the terms of our engagement letter with Urmston Grammar School dated 22nd September 2020. The scope of work undertaken during this visit was discussed and agreed with Joanne Daley in advance of our visit. This report summarises the findings of our visits to the Academy.

Each of the recommendations included within this report are graded as follows:

Significant – Implementation is essential to ensure that the control environment is adequate and should be addressed immediately.

Moderate – Requires attention on a timely basis to ensure that the control environment is not lacking in key controls

Low – Implementation is advised to enhance the overall control environment.

The matters raised in this report are only those which came to our attention during the course of our System Checks work in accordance with the remit agreed with the Trust Board and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of these System Checks is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed during these system checks should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify circumstances of fraud or irregularity.

The report is prepared solely for the use of the Trust Board and Senior Management of Urmston Grammar School. The content of this document remains the property of Hallidays and should not be reproduced, shown to or supplied to any other party without the prior written consent of Hallidays. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.

We wish to take this opportunity to place on record our thanks to all employees at the Academy for their willing assistance during our undertaking of this work.

Area	Grading	Findings
Financial Procedures Manual	Moderate	<p>Appointment of independent Clerk-Update the wording in the FPM to reflect the latest AFH guidance</p> <p>Requisitions -We would recommend that the Board reviews the requirements of holding a list of approved suppliers and ensures that if necessary, one is created for 20/21.</p> <p>Charge cards-In order to provide segregation of responsibility, we would recommend that changes to credit limits are approved by the board in line with the usual procurement processes.</p> <p>We would also recommend that the Trust includes a statement confirming that for 2019/20 there were no employees whose benefits exceeded £100k.</p>
Expenses	Low	We would recommend that the Academy confirms with their payroll provider that the correct deductions are taken through payroll and forms P11d completed, as the Academy is making mileage payments at rates above the HMRC approved mileage allowance of 45p per mile up to 10,000 miles.
Petty Cash	Low	We would recommend that the Board review whether mixed receipts are acceptable to support school expenditure.

Area	Grading	Findings
Accounting System	Low	<p>Bank We would recommend that when the bank account is reconciled at the end of the month, this is checked against the trial balance to ensure the balances agree.</p> <p>We would recommend that any differences in the School Fund bank account are investigated and that an unreconciled items list is generated.</p>
	Low	<p>Sales ledger/Purchase ledger control account We would recommend that the Trust saves a copy of the aged debtors and creditors reports at the end of each month and confirms that the balance agrees to the debtors and creditors control account on the trial balance.</p> <p>We would also recommend that any old outstanding debts are chased, or if not considered to be recoverable are discussed with the Board as potential write offs.</p>
	Moderate	<p>Opening balance adjustments We would recommend that the Trust reviews the netting off of debtors/creditors in the management information and confirms that they are satisfied that the chart of accounts does not require amendment.</p>
	Moderate	<p>Funds brought forward We would recommend that the Trust reviews the split between unrestricted and restricted funds to ensure that management information provided to the Board accurately represents the Trust fund balances and ensures that funds with restrictions attached are used only for the specific purposes intended.</p>
Purchase	Moderate	<p>We would recommend that the Trust ensures that all purchase requisitions and orders are approved ahead of an order being placed with a supplier.</p> <p>We would also recommend that the Trust obtains authorised purchase requisitions for purchases in line with the FPM.</p>

Area	Grading	Findings
		<p>The Trust may wish to review the ordering process for paper supplies and ensure that this process is documented within the FPM.</p> <p>We would recommend that the Trust has a signed loan agreement in place in respect of laptops purchased where an employee is repaying via salary sacrifice.</p>
Income	Low	<p>DFE/ESFA receipt</p> <p>Ensure that income is posted to the correct nominal code on the accounting system.</p> <p>Grant Nominal Code No recommendations</p>
Trustees declarations of interest	No recommendations	
Payroll	Low	<p>As noted above (expenses) we would recommend that the Academy confirms with their payroll provider that the correct deductions are taken through payroll and forms P11d completed, as the Academy is making mileage payments at rates above the HMRC approved mileage allowance of 45p per mile up to 10,000 miles</p>
Payroll amendments	No recommendations	
Payroll report authorisation	No recommendations	
Miscellaneous Income	Low	<p>We would recommend that income is processed onto Sage upon receipt rather than when received in the school bank account.</p>