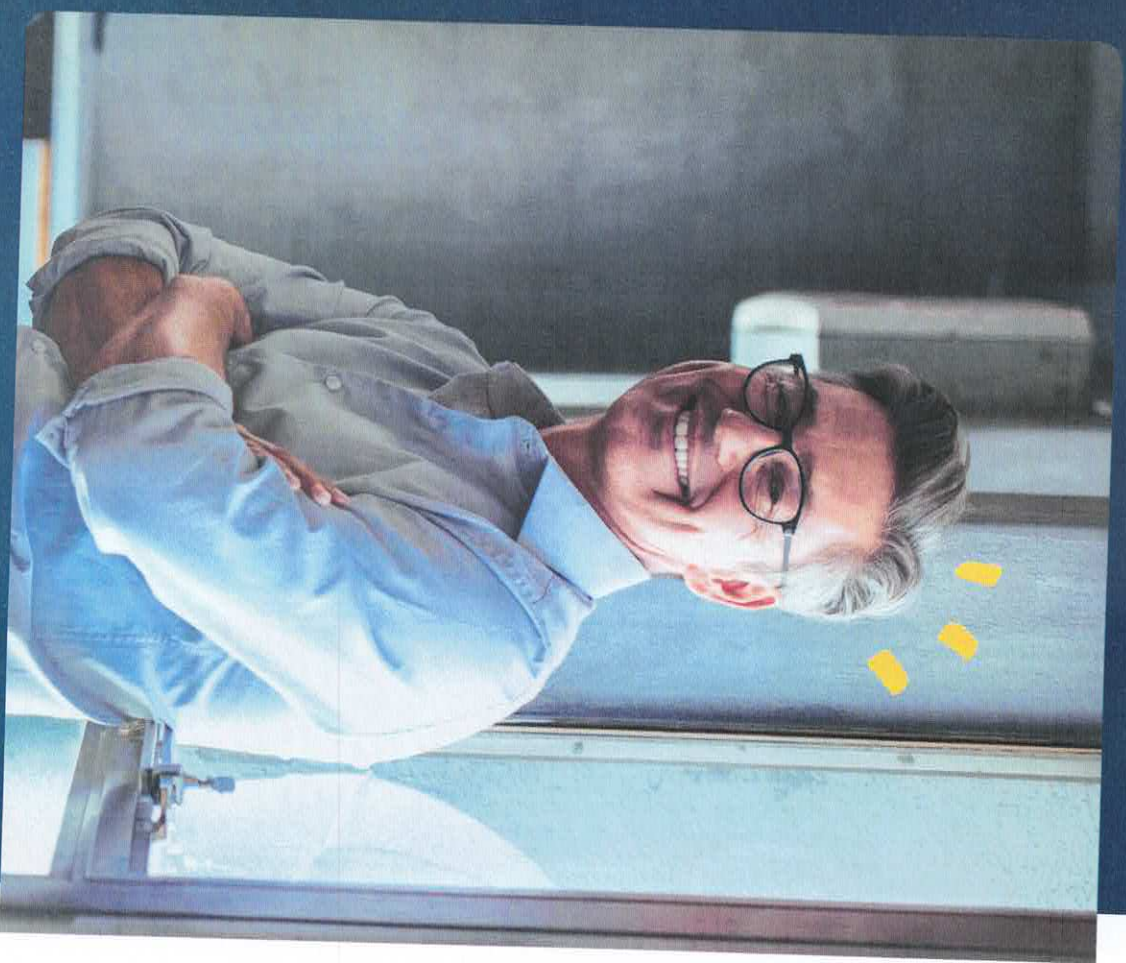


Internal  
scrutiny  
summary  
**Hallidays**

# SUMMARY OF INTERNAL SCRUTINY

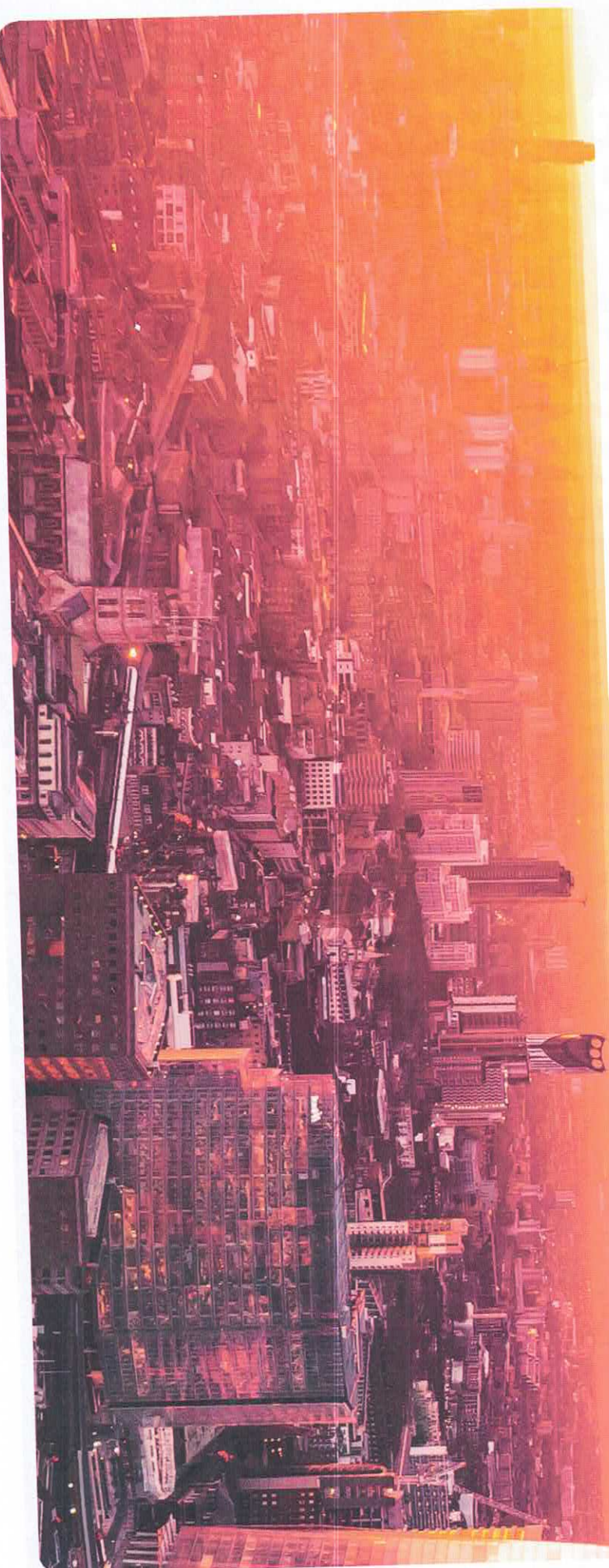




# Content

Introduction  
Scope of the Review  
Recommendations

03  
05  
07



# Introduction

The internal audit scope of works for 2021/22 had been agreed in February 2022 following an expectations meeting with Hallidays to discuss the risks of the trust. The internal scrutiny plan was agreed and included the following works performed in two visits.

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

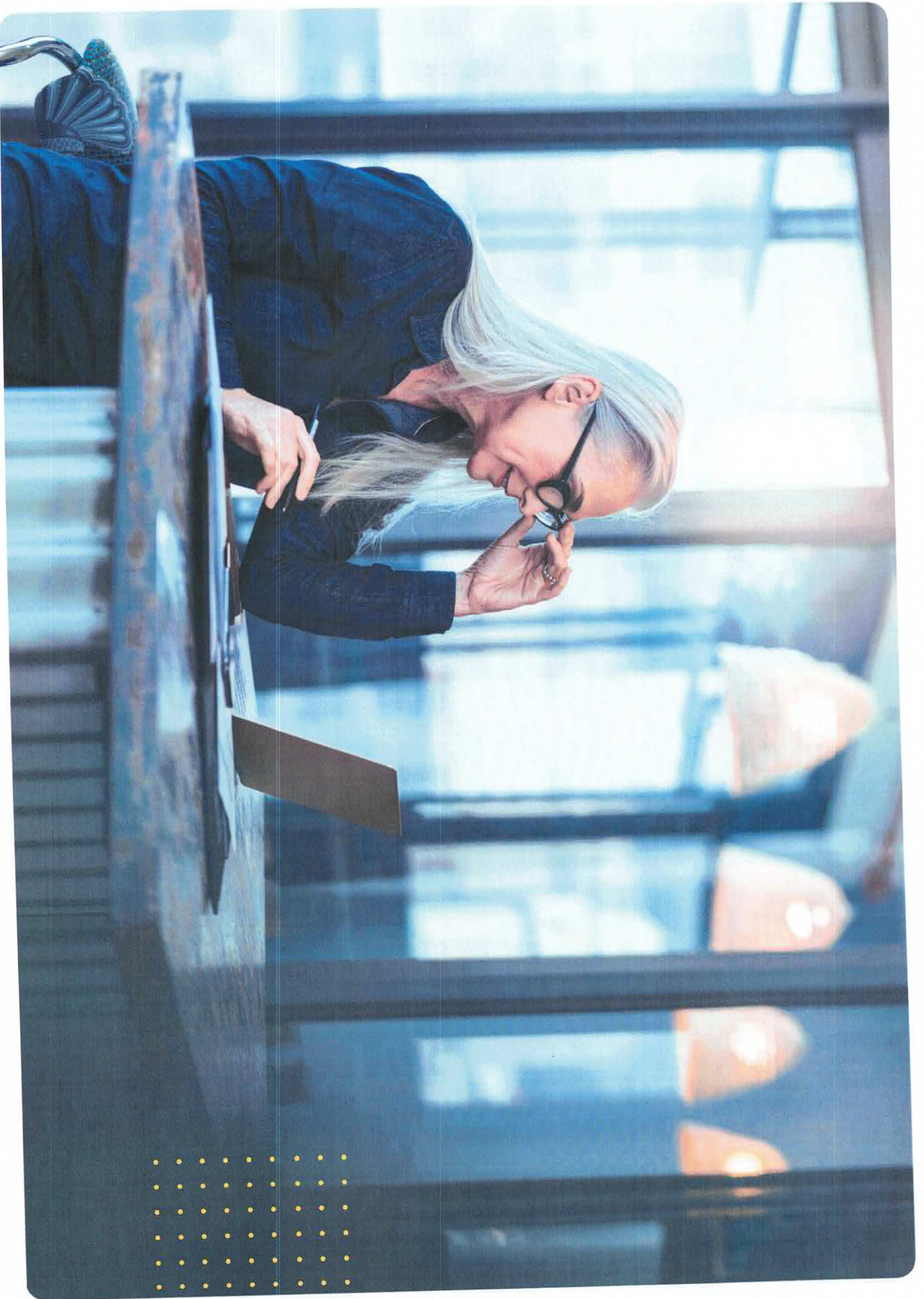
**Significant** – Implementation is essential to ensure that the control environment is adequate and should be addressed immediately.

**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.







# Scope of the Review:

Our review of your risk management arrangements, systems, procedures and documentation has concentrated on the following key areas:

- Financial procedures manual
- Expenses
- Petty Cash
- Accounting system
- Income
- Payroll
- Funds
- Fixed assets

## Key findings

None – The trusts risk management of the above is operating effectively, with minor recommendations.





# Recommendations

- 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 21/22. (Moderate)
- 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. (Moderate)
- We would recommend that work continues in this area (creation of inventory listing within Parago) to ensure that an up to date asset register is maintained in line with the FPM. We would also recommend referring to the Parago system within the FPM. (Moderate)
- In order to be compliant with the Academies Trust Handbook we would recommend the following:
  - 1) that the Trust publishes on its website the number of employees whose benefits exceeded £100k for 20/21 in line with the 'musts' of the Academies Trust Handbook.
  - 2) that the Trust publishes on its website copies of agendas, meeting minutes and reports for every meeting of the trustees, local governing bodies and committees. (Moderate)
- We would recommend that all expense claims are signed and dated by both the claimant and approver. (Low)
- We would recommend that monthly petty cash reconciliations are completed as part of the month end process and evidenced as agreed to the petty cash account per the trial balance. (Low)
- We would recommend that any differences between the bank reconciliation and trial balance are investigated. We would recommend that the unreconciled items report is reviewed for any long-standing unreconciled items. (Low)
- We would recommend that the FPM refers to the use of the Parago system in order to maintain the list of school assets. (Low)

## Management Responses

Recommendations were discussed and noted.



# Recommendations

- We would recommend that the report criteria used as part of the month end process when running aged debtors and creditors reports includes the ageing date of the respective month end (eg: January 2022 as 31/01/22) and that the retrospective option is selected. (Low)
- We would recommend that any old outstanding debts are chased, or if not considered to be recoverable are discussed with the Board as potential write offs. (Low)
- We would recommend that the Trust ensures that all purchase requisitions and orders are approved ahead of an order being placed with a supplier. (Moderate)
- We would also recommend that the Trust obtains authorised purchase requisitions for purchases in line with the FPM. (Moderate)
- The Trust may wish to refer to those items of expenditure where evidence of three quotations is not considered to be required in order to place an order within the FPM. Eg: SIMS (Moderate)
- We would recommend that income is processed onto Sage upon receipt rather than when received in the school bank account. (Low)
- We would recommend that the approved pay scales for 2021/22 including approved Teaching and Learning Responsibility payments are retained by both the HR and Finance team. (Low)
- We would recommend that when monthly salary journals are generated, they are checked against the relevant monthly payroll report to ensure that they agree to source records. We would also recommend that following the posting of the monthly salary journal, the trial balance is checked to confirm that balances per control accounts are in line with the payroll reports and expectations. If there are differences arising, we would recommend that a control account reconciliation is prepared to provide details of any differences. (Moderate)
- We would recommend that the Trust reviews the split between unrestricted and restricted funds to ensure that management information provided to the Board accurately reports the Trust fund balances and ensure that funds with restrictions attached are used only for the specific purposes intended. (Moderate)

## Management Responses

Recommendations were discussed and noted.



**We are**

**XEINADIRI**

**Hallidays**

Riverside House,  
Kings Reach Business Park, Yew Street,  
Stockport, Cheshire, SK4 2HD  
[hello@hallidays.co.uk](mailto:hello@hallidays.co.uk)

