

THE HIGHLAND COUNCIL
ADULT & CHILDREN SERVICES COMMITTEE
15 JANUARY 2014

Agenda Item	14.
Report No	ACS/13/14

Management Action Plans – Internal Audit Reports on Curriculum - Internet Use and Schools – Financial Procedures

Report by Director of Education, Culture and Sport Service

Summary

This report provides an overview of the Internal Audit reports relating to Education Culture & Sport that were considered by the Audit and Scrutiny Committee in autumn 2013 and progress with the related management actions that were agreed at that Committee.

1. Background

- 1.1 The Audit and Scrutiny Committee met on the 26 September 2013. The agenda included a report relating to financial procedures in schools. The Audit and Scrutiny Committee also met on 20 November 2013. That agenda included a report on internet usage in the curriculum. In accordance with the Local Code on Corporate Governance both reports have to be reported to the relevant strategic committee of the Council.
- 1.2 This report provides a progress report in relation to the management actions agreed at these Committees. The management actions relating to financial procedures in schools are appended at **Appendix 1**. The management actions relating to internet use in the curriculum are appended at **Appendix 2**.

2. Progress with management actions

- 2.1 **Financial procedures in schools** – the objectives of the review were as follows:
- That school budgets were adequately controlled and monitored and that all relevant parties were kept informed of progress;
 - There was compliance with the Council's contract standing orders and Financial Regulations in relation to all financial transactions carried out in the school;
 - That all income received was accounted for accurately and timeously and banked promptly;
 - That imprest accounts were administered in accordance with Financial Regulations;
 - That inventory records were maintained accurately and timeously; and
 - That adequate control was maintained over School Fund accounts.
- 2.2 The audit was based on a sample of four schools. The audit confirmed that the objectives had been substantially achieved in that the budgetary control systems operational in each school were found to be satisfactory. There were 18 management actions identified mainly in relation. The majority of the management

actions were addressed in a letter issued to all Head Teachers by the Head of Resources following the Audit & Scrutiny Committee in September 2013. The other main management action related to issuing updated guidance to Head Teachers on the management of School Funds. This guidance is currently being finalised and will be issued by the end of January 2014.

2.3 There will be a follow-up audit based on a further sample of schools to ensure that the management actions identified during the 2013/14 audit have been implemented across all schools.

2.4 **Internet usage in the curriculum** – the objectives of the review were as follows:

- That there were appropriate policies and training on appropriate internet use for curriculum users;
- That filtering processes were sufficiently flexible to allow users appropriate access whilst providing sufficient controls to protect users from security risks and unacceptable content;
- That internet use was monitored, logged and maintained;
- That where unacceptable usage or breach of security was suspected it was acted upon promptly.

2.5 The audit confirmed that there was in place a proactive and professionally led approach to internet use in the curriculum. In all 7 management actions were identified in the report, 3 of which were agreed and completed during the audit. At the time of writing this report there are 2 outstanding actions, namely:

- A review of current curriculum filtering policies to ensure that they meet the needs of staff – due by 30/04/14
- The review of ICT curriculum needs will be fully scoped as part of the forthcoming re-provision of ICT across the Council – due by 01/04/15.

3. Implications

3.1 The greatest potential risk and resource implications relate to the management of financial procedures in schools. Whilst the overall financial management controls generally operate well, the area which requires further advice, guidance and support relate to the management of the School Fund. As a result revised guidance on this issue will be issued to all Head Teachers by the end of January 2014. This guidance will outline a consistent approach to accounting for School Funds, the roles and responsibilities of the Head Teacher and the fact that all School Fund transactions are subject to the Council's governance arrangements contained within the Financial Regulations and contract standing orders.

3.2 There are no other direct implications in relation to both reports.

4. Recommendations

4.1 The Committee is asked to:

- Note the management actions that have been taken to address the issues identified in these Internal Audit reports.

Designation: Director of Education, Culture and Sport

Date: 6th January 2014

Author: Ron MacKenzie, Head of Support Services, Education, Culture and Sport

Background Papers

Appendix 1 – Management Actions – Financial procedure in schools

Appendix 2 – Management Actions – Internet use in the curriculum

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Report Title

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The Action Plan contains **18** recommendations as follows:

Description

Major issues that managers need to address as a matter of urgency.

Important issues that managers should address and will benefit the Organisation if implemented.

Minor issues that are not critical but managers should address.

Priority

Number

High

1

Medium

10

Low

7

Total recommendations

18

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
3.1.1	Low	An issue was identified with the DSM Review meetings.		The monthly budget monitoring procedures for schools will be amended to include specific guidance on procedures to be adopted when Head Teacher is absent on a long term basis.	Head of Resources (ECS) and Finance Manager (ECS & HASC)	31/08/13
		Due to long-term sickness of Head Teacher at Newtonmore and Dalwhinnie Primaries, no meeting had taken place between school and school support from Easter 2011 up until January 2012.	There should be regular meetings between Head Teachers and School Support Officers as required by DSM guidelines in order to assist with monitoring of the DSM budget. Where the regular Head Teacher is on long-term sick leave, these meetings should be held with the Acting Head Teacher.	Liaise with School Support Officer and set dates in diary for visits.	Head Teacher of Newtonmore Primary School (PS), School Support Officer	31/05/13

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3.1.2	Medium	An issue was identified with the Monthly reporting. There was no evidence to demonstrate that budget monitoring reports were reviewed by Head Teachers.	Monthly reports should be reviewed by Head Teachers and evidence of this review should be recorded on the report.	Any actions relating to non-compliance with existing school budget management guidance and procedures will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14 Head Teacher sign reports	Head of Resources (ECS) Head Teacher, Newtonmore PS	31/08/13 30/06/12
3.1.3	Low	An issue was identified with the recorded authorisation for the DSM Carry forward figure: (1) There was no evidence to show at the Primaries that the carry forward figure had been approved. (2) Newtonmore's Gaelic Nursery had a surplus of 5.28% which is in excess of the 5% allowed.	(1) Schools should maintain an approved record of their School and Nursery carry forward figures. (2) It should be ensured that as per DSM guidelines, each school is only permitted to carry forward a surplus of up to 5% and a deficit of up to 3% of the devolved budget.	Any actions relating to non-compliance with existing school budget management guidance and procedures will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14 (1) Keep approved record of school & nursery carry forward. (2) Review with School Support Officer	Head of Resources (ECS) Head Teacher & Clerical Assistant, Newtonmore PS Head Teacher & Clerical Assistant, Newtonmore PS	31/08/13 30/04/13 30/04/13

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3.2.1	Low	A number of issues were identified with the segregation of duties:		The procurement procedure guidance for small Primary Schools will be reviewed to ensure that these specific action points are addressed therein. If this guidance requires to be updated to reflect these action points then it will be done. Thereafter the Head Teachers of small Primary Schools will be reminded of the requirements contained within the guidance, including any updates to this guidance.	Head of Resources (ECS) and Finance Manager (ECS & HASC)	31/08/13
		(1) Although delivery notes are checked by the departments, there was no signature on the delivery notes recording this.	(1) In accordance with the requirement of the Guidance note "Receipt of Goods and Services and Payment of Creditor Invoices", all goods received should be checked against the delivery note, which should then be signed by the person checking.	(1) Principal teachers will check deliveries and sign delivery notes.	Rector, Golspie High School (HS) and Faculty Leaders	Immediate
		(2) There were issues with the retention of documentation at Dalwhinnie and Newtonmore primaries.	(2) As best practice, records should be held in an organised and up to date manner which enables them to be easily retrieved if required.	(1) Sign & date all delivery notes. (2) A signed copy of delivery note returned to Office	Head Teacher & Clerical Assistant, Newtonmore PS Rector, Golspie High School and Faculty Leaders	30/08/12 Immediate

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3.2.1 con't		(3) There was one transaction where the Administrative processed and authorised an order.	(3) All "Small Schools" should be reminded that all PECOS requisitions sent to the AEO require the approval of the Head Teacher.	(2) Reorganise filing of records. (3) Ensure HT signs approval	Head Teacher & Clerical Assistant, Newtonmore PS Head Teacher & Clerical Assistant, Newtonmore PS	31/01/13 30/08/12

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3.2.2	Medium	A number of issues were identified with the ordering and payment of invoices: (1) PECOS, the Council's official ordering system, was not the primary ordering method used at Golspie High School.	(1) All Schools should be reminded that the Council's official ordering systems; PECOS and/or Council Purchase cards should be used for all goods/services ordered.	The procurement procedure guidance for small Primary Schools will be reviewed to ensure that these specific action points are addressed therein. If this guidance requires to be updated to reflect these action points then it will be done. Thereafter the Head Teachers of small Primary Schools will be reminded of the requirements contained within the guidance, including any updates to this guidance. Every effort will be made to use PECOS for ordering. The exception will only be where supplies are unavailable through PECOS	Head of Resources (ECS) and Finance Manager (ECS & HASC) Rector, Golspie HS	31/08/13 Immediate

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3.2.2 con't		(2) Newtonmore and Dalwhinnie were using a different template than the one supplied by the Area Education Office (AEO). Invoices for non-book items were charged to the wrong subjective. Requisitions were sent to the AEO retrospectively.	(2) "Small Schools" should be reminded of the need to: <ul style="list-style-type: none"> Use the most up-to-date requisition template which should be completed in advance of any orders required. This should be completed full and accurately, including the appropriate "financial tracking" (ledger code) details. Any appropriate discounts and carriage should also be included on the requisition where possible. 	(2) Contact Inverness re most up to date requisition template.	Clerical Assistant, Newtonmore PS	31/03/13

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3.2.2 con't		(3) There were a number of payments where the invoice did not match the order amounts.	(3) All other schools should be reminded that all orders should be raised accurately, including discounts and carriage where possible.	(3) Efforts will be made to ensure that delivery and pricing are as accurate as possible – there continue to be times where pricing is subject to discount offered at invoice level. Admin Assistant to ensure that orders received from departments include delivery or nil carriage line and that pricings are current as per pdf files.	Principle Teachers at Dept level, Administrative Assistant to monitor and return to Principle Teacher as necessary, Rector, Millburn Academy to receive monthly feedback.	Immediate
		(4) There were problems with matching invoices to orders at the Primaries due to paperwork not being held, differing prices or the records showing different items delivered.	(4) Schools should be reminded that prior to processing the invoice, the invoice should be checked against the respective order to ensure that agrees to the goods requested and received, and price to be paid.	(3) Where possible ensure discounts & carriage are included.	Head Teacher & Clerical Assistant, Newtonmore PS	31/03/13

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3.2.3	Medium	There were a number of significant delays in the payment of invoices which ranged from 34 – 144 days from the date of receipt until payment.	In accordance with the requirements of the Council's Financial Regulations, all invoices should be paid within 30 days of receipt.	Any actions relating to non-compliance with existing school budget management guidance and procedures will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14 All invoices will be paid within 30 days.	Head of Resources (ECS) Rector, Golspie HS	31/08/13 Immediate

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3.2.4	Medium	<p>A number of issues were identified with the use of Contract suppliers.</p> <p>There were a number of occasions where the contract supplier had not been used and compliance ranged from 53 – 86%.</p>	<p>Purchasing Officers should be reminded that they must use the relevant Councils' contract supplier where applicable.</p>	<p>Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14</p> <p>Wherever possible, the relevant Council's contract supplier will be used.</p> <p>Advice on best value where concerns are identified with the Contract Supplier will be obtained from the Head of Resources.</p> <p>Where applicable will use.</p>	<p>Head of Resources (ECS)</p> <p>Rector, Golspie HS</p> <p>Rector, Millburn Academy</p> <p>Head Teacher & Clerical Assistant, Newtonmore PS</p>	<p>31/08/13</p> <p>Immediate</p> <p>28/06/13</p> <p>30/06/12</p>

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3.2.5	Low	<p>A number of issues were identified with invoice adjustment and credit notes.</p> <p>There were 2 instances noted where invoices had not been processed correctly.</p>	<p>In accordance with the requirements of Financial Regulations, supplier invoices should not be altered. If an invoice is incorrect then it should be returned to the supplier for amendment or a credit note requested. This is important to ensure that all paid invoices comply with VAT regulations.</p>	<p>Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided.</p> <p>Only one invoice will be accurately entered into the system with issues addressed prior to inputting.</p> <p>Administrative Assistant will return invoices requiring changes.</p>	<p>Head of Resources (ECS) and Finance Manager (ECS & HASC)</p> <p>Rector, Golspie HS</p> <p>Administrative Assistant/ Rector, Millburn Academy</p>	<p>31/10/13</p> <p>Immediate</p> <p>Immediate</p>

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3.2.6	Low	A number of issues were identified with purchase card transactions.		Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided.	Head of Resources (ECS) and Finance Manager (ECS & HASC)	31/10/13
		(1) For both cards at Golspie High School, official purchase card transaction logs were not completed.	(1) Schools using Purchase Cards should be reminded to use the appropriate up to date transaction logs for recording purchases and credits in accordance with the Purchase Card User Reference Guide.	(1) The use of transaction logs will be introduced (1) New log sheets already being used	Rector, Golspie HS Administrative Assistant/ Rector, Millburn Academy	Immediate In place

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3.2.6 con't		<p>(2) Instances were noted where the Purchase Card Guide had not been complied with:</p> <ul style="list-style-type: none"> • An old version of the purchase card transaction log was used for the HE card at Millburn Academy. • VAT was re-claimed on a purchase which did not have a VAT invoice and there were 5 transactions where the paperwork held, was inadequate. The card had also been used to purchase items from non-contract suppliers where contract suppliers were available (Golspie High School). 	<p>(2) Staff should also ensure that:</p> <ul style="list-style-type: none"> • Appropriate paperwork detailing all purchase card transactions are maintained; • VAT regulations and guidance are followed when claiming VAT from receipts and invoices; • Contract suppliers are used where applicable. 			

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3.3.1	High	A number of issues with School Lets Income.		Any actions relating to non-compliance with existing school budget management guidance and procedures will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14.	Head of Resources (ECS)	31/08/13
		<p>(1) School lets income has been received by the School Fund rather than the Highland Council.</p> <p>(2) The School Fund Lodgements could not be reconciled to individual transactions and it could not be established if all income due had been received and banked.</p>	<p>(1) School Let Income should be banked in the correct account and correctly posted to the appropriate financial ledger. Income and accounting adjustments should be made for errors in the last 2 years.</p> <p>(2) Millburn Academy and the Education, Culture and Sport Service should review the arrangements for the use of Millburn's facilities, making sure it adheres to Council procedures. Consideration should be given to issuing the updated procedures for administering school lets to all respective Schools.</p>	<p>(1) & (2) The specific issues relating to the management of school let income at Millburn Academy will be addressed at a meeting with the Head Teacher</p>	Head of Resources (ECS) / PPP Project Officer	30/06/13

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3.3.1 con't		(3) There is no procedure for the recording of the float amount, the income sums received and reconciling this to receipts issued.	(3) Millburn Academy and the Education, Culture and Sport Service should review the income arrangements to ensure that these contain all necessary controls.	(3) Float procedure now in place. Whilst income sums always have been recorded accurately and reconciled, it is accepted that there needs to be further evidence re individual transactions.	Administrative Assistant /Senior Leisure Assistant	In place

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3.4.1	Medium	A number of issues with imprests were identified.		Any actions relating to non-compliance with existing school budget management guidance and procedures will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14	Head of Resources (ECS)	31/08/13
		(1) Central records show that Dalwhinnie has an imprest but staff was unaware of this and it was not being used. During the audit, cash and receipts were located which appeared to be the residual imprest, although a small difference was found.	(1) Dalwhinnie Primary School should liaise with the Creditors Section to bring the Imprest back into line with Central Records.	(1) Dalwhinnie Primary School now mothballed and Creditors Section to be contacted.	Clerical Assistant, Newtonmore PS	31/03/13
		(2) Instances were noted where the Guidance note were not being complied with <ul style="list-style-type: none"> Official imprest pads were not used at Golspie High School. At Dalwhinnie, cash was being held within in a non-lockable cupboard. 	(2) Schools should be reminded that in accordance with the Guidance note on Petty Cash: <ul style="list-style-type: none"> Claims should be recorded on the official imprest claim pads; and Kept in a locked cash box or safe, kept within a safe place such as a lockable filing cabinet, desk or cupboard. 	(2) Official imprest pads will be requested and used. (2) Admin Assistant has reviewed relevant guidance and is following/ complying as required.	Rector, Golspie HS Rector, Millburn Academy	Immediate 20/06/13
(3) At Millburn Academy, errors were made in the extraction of VAT within the Imprest.	(3) VAT should be accounted for correctly on imprest claims and in accordance with the VAT guidance on the Intranet.	(2) Imprest claim pad being used and cash kept in lockable filing cabinet.	Clerical Assistant, Newtonmore PS	31/03/13		

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3.5.1	Medium	<p>A number of issues with the maintenance of Inventories.</p> <p>Only 1 school maintained an Inventory. Whilst Millburn Academy did maintain an Inventory, it was found not to be 100% accurate and complete. There was a lack of a unique identifying Inventory code is use.</p>	<p>All Schools must comply with the requirements of the Council's Financial Regulations with regard to the maintenance of inventories. This includes ensuring that records are maintained in the required format and the all new purchases are timeously added.</p>	<p>Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided.</p> <p>An inventory will be created.</p> <p>Inventory will be brought up to date on phased basis as time allows. PTs to ensure items added as purchased for new items. Administrative Assistant/ Rector, Millburn Academy to monitor and plan retrieval of unlisted items to inventory</p> <p>Ongoing compilation of school inventory.</p>	<p>Head of Resources (ECS) and Finance Manager (ECS & HASC)</p> <p>Rector, Golspie HS</p> <p>Administrative Assistant/ Rector, Millburn Academy</p> <p>Head Teacher & Clerical Assistant, Newtonmore PS</p>	<p>31/10/13</p> <p>Immediate</p> <p>Immediate for new items – as time allows for others</p> <p>31/08/13</p>

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3.6.1	Medium	As indicated by the Service Finance Manager, the requirement within the Financial Regulations for the Finance Team to review School Fund Accounts is currently not happening, instead these are sent to the Area Education Office.	ECS management should look to put in place the arrangements set out within the Financial Regulations where the Finance Service should be forwarded a copy of the School Fund Accounts. If alternative arrangements are put in place, then the Financial Regulations should be updated to reflect these.	Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided.	Head of Resources (ECS) and Finance Manager (ECS & HASC)	31/10/13

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3.6.2	Low	<p>A number of issues with the final accounts of School funds.</p> <p>(1) The School Fund arrangements do not accord with the requirements of Financial Regulations:</p> <ul style="list-style-type: none"> There were delays in the submission of School Fund accounts Newtonmore and Dalwhinnie Primary Schools, due to the Head Teacher being on Long-term Sick Leave. 	<p>(1) All Schools should be reminded of the need to comply with Financial Regulations as follows:</p> <ul style="list-style-type: none"> To provide a signed copy of the School Accounts to the Service Finance Manager before the beginning of the October School Holidays; The accounts should include the required School Fund declaration; 	<p>Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided.</p> <p>(1) Provide this signed copy and present to Parent Council.</p> <p>(1) Declaration wording to be checked and amended as necessary.</p> <p>Parent council will have on agenda at 1st meeting following audit process. Administrative Assistant to Rector, Millburn Academy to Parent Council Chair</p>	<p>Head of Resources (ECS) and Finance Manager (ECS & HASC)</p> <p>Rector, Golspie HS</p> <p>Administrative Assistant, Millburn Academy</p> <p>Administrative Assistant & Rector, Millburn Academy</p>	<p>31/10/13</p> <p>Immediate</p> <p>Immediate</p> <p>Immediate</p>

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3.6.2 con't		<ul style="list-style-type: none"> Whilst all four school fund accounts' contain signed and dated Auditors declarations, these varied in comparison and does not match the Council's required declaration. Also, the accounts did not contain a declaration from the respective Parent Council, demonstrating that they had been presented to them. <p>(2) Financial Regulations state "The Accounts must, as a minimum, follow the prescribed format as per annex 1". However, there is no such annex.</p>	<ul style="list-style-type: none"> Audited accounts should be presented at the first available meeting of the School Parent Council. The accounts must be signed by the Chairperson of the Parent Council with the appropriate declaration. <p>(2) The Financial Regulations should be updated to include an approved School Fund Accounts template and all Schools informed that this should be used.</p>	<p>(3) School to check on who should audit school fund.</p> <p>Ensure School Fund declaration is included and present audited accounts to Parent Council at next meeting after Oct holidays.</p>	<p>Clerical Assistant Newtonmore PS</p> <p>Head Teacher & Clerical Assistant, Newtonmore PS</p>	<p>31/05/13</p> <p>31/10/13</p>

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3.6.3	Medium	A number of issues with the School Fund expenditure were identified. (1) There were issues with School Fund expenditure where limited or no paperwork was held to support expenditure (Golspie, Newtonmore and Dalwhinnie schools).	(1) As required by the Financial Regulations, Schools should be reminded that for all School Fund expenditure, there should be a clear record of the name of the supplier, description of the expenditure and amount. There should also be supporting invoices or receipts detailing the expenditure.	Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided. (1) All school fund transactions will be recorded with the name of the supplier, a description of the expenditure and the amount, supported by receipts where available. (1) School currently using own template.	Head of Resources (ECS) and Finance Manager (ECS & HASC) Rector, Golspie HS Head Teacher & Clerical Assistant, Newtonmore PS	31/10/13 Immediate 30/06/12

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REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
3.6.3 con't		<p>(2) There were no issues with Millburn Academy's expenditure records and this was due to the fact that there were the only school consistently using a Cheque request form.</p> <p>(3) Payments were made to staff without the supporting expenditure receipts (Golspie, Newtonmore and Dalwhinnie Schools)</p>	<p>(2) The Service should consider issuing a Council cheque request template for School Funds, which would record the information required by the Financial Regulations including the date, amount, signatories and reason for requesting a cheque.</p> <p>(3) All payments to staff must be supported by a receipt from the original supplier.</p>	<p>(3) Now in place.</p>	<p>Head Teacher & Clerical Assistant, Newtonmore PS</p>	<p>30/06/12</p>

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3.6.4	Medium	A number of issues with the School Fund income were identified. (1) Receipts are not issued for all income received into the School Fund accounts. Also the retention of income records varied between schools visited.	(1) The School Fund income procedures should operate in accordance with the requirements of Financial Regulations. Whenever possible, a receipt should be provided detailing the date, name and address of the payer, purpose of income provided, signature of the person issuing the receipt and the amount clear recorded. If receipts are not issued, it should be ensured that a record is maintained detailing the amount, purposes of income and name of recipient.	Any actions relating to non-compliance with the Council's Financial Regulations and Contract Standing Orders will be included within a letter to all Head Teachers to be issued at the start of academic year 2013-14. In addition specific training on compliance with Financial Regulations and Contract Standing Orders will be provided. (1) We will set aside time in the day when an admin assistant can leave the office to write receipts/count money uninterrupted. (1) Millburn will ensure receipt for total amounts received. Amount/purpose and name always recorded.	Head of Resources (ECS) and Finance Manager (ECS & HASC) Rector, Golspie HS Administrative Assistant, Millburn Academy	31/10/13 Immediate Immediate

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3.6.4 cont.		<p>(2) At Golspie High School, a difference of £95 held from previous lodgements not yet banked. Due to time pressures and other office duties, there were inconsistencies in the information recorded on receipts.</p> <p>(2) At all Schools visited, only one officer was responsible for all income aspects.</p>	<p>(2) When income is prepared for banking, this should be checked to the supporting receipts and reconciled. Any variances should be investigated, explanations obtained and recorded, prior to banking being undertaken.</p> <p>(3) Consideration should be given over whether to update School Fund guidance to ensure that income to be banked is reviewed and verified by another officer, not involved in the income collection process.</p>	<p>(1) Receipts issued.</p> <p>(2) If there are any variances, this will be recorded.</p>	<p>Head Teacher & Clerical Assistant, Newtonmore PS</p> <p>Head Teacher & Clerical Assistant, Newtonmore PS</p>	<p>30/06/12</p> <p>30/04/13</p>

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3.6.5	Low	<p>(1) All 4 schools used spreadsheets methods for recording School Fund transactions. However, there is no consistent method adopted.</p> <p>(2) At Dalwhinnie, the School Fund spreadsheet was not kept up to date.</p>	<p>(1) Consideration should be given to updating the School Fund guidance notes to include templates for the recording of School Fund income and expenditure, bank reconciliations and a "Contra spreadsheet to enable financial comparison of specific projects. Such templates should be sufficiently detailed to provide an overview of the activities for which the fund is used (i.e. school trips, school photographs etc.).</p> <p>(2) The School Fund records should be updated in a timely manner to ensure that the up to date balance of available funds.</p>	<p>The School Fund guidance notes will be updated to reflect the correct operating procedures and guidance to ensure compliance with Financial Regulations. This updated guidance will be augmented by specific training in School Fund procedures.</p>	<p>Head of Resources (ECS) and Finance Manager (ECS & HASC)</p>	<p>31/10/13</p>

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3.6.6	Medium	A number of issues with the School Fund bank accounts were identified. (1) Golspie High School and Newtonmore Primary's School Fund accounts were not in the name of "The Highland Council". Millburn Academy and Dalwhinnie Primary School Fund's bank account whilst started "H C", this is not clearly in the name of the Council.	The School Fund arrangements should be undertaken in accordance with the requirements of the Council's Financial Regulations, namely: (1) School Fund bank accounts should include the name of Highland Council;	The School Fund guidance notes will be updated to reflect the correct operating procedures and guidance to ensure compliance with Financial Regulations. This updated guidance will be augmented by specific training in School Fund procedures. (1) The school fund bank account will be amended to include the name of Highland Council and the reconciliation documentation will be reviewed and signed by the rector. (1) Bank contacted re name change – using existing stationary and will amend when new signatories added (1) Bank details to be corrected and made up to date.	Head of Resources (ECS) and Finance Manager (ECS & HASC) Rector, Golspie HS Administrative Assistant/ Rector, Millburn Academy Clerical Assistant, Newtonmore PS	31/10/13 Immediate 31/08/13 30/04/13

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3.6.6 cont.		(2) There was no evidence to show that the Head Teacher/Rector had reviewed the bank reconciliations (Millburn Academy and Newtonmore Primary School).	(2) The Rector/Head Teacher should review and sign the reconciliation documentation;	(2) HT to sign banking reconciliation as required	Rector, Millburn Academy	Immediate
		(3) The Clerical Assistants in Newtonmore and Dalwhinnie Primary Schools administer the School Fund transactions and are also cheque signatories.	(3) Where a member of staff is involved with the administration of the School Fund, they cannot be a cheque signatory. In the case of Newtonmore and Dalwhinnie Primaries, the Clerical Assistants should be removed from the authorised cheque signatories.	(2) Ensure review & sign reconciliation report.	Head Teacher of Newtonmore PS	31/05/13
				(3) Banking details re signatories to be changed.	Head Teacher & Clerical Assistant, Newtonmore PS	31/05/13

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The Action Plan contains 7 recommendations as follows:

Description

Major issues that managers need to address as a matter of urgency.

Priority

Number

Important issues that managers should address and will benefit the Organisation if implemented.

High

0

Minor issues that are not critical but managers should address.

Medium

7

Low

0

Total recommendations

7

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3.2.2	Medium	<p><u>Filters and Devices Used to access the Internet</u></p> <p>Some Head Teachers surveyed expressed interest in having access to more flexible Information and Communication Technology (ICT) for meeting the needs of pupils using the internet, for example non-Microsoft devices for learners.</p> <p>A pilot project to test the use of non-Windows devices was completed for review of rollout of Mobile Device Manager including these within the latest Council approved wireless solution and mobile device manager</p>	<p>The results from the pilot projects on non-Windows devices and rollout of mobile device manager with the approved wireless solution will be very useful and should be considered for future technology enhancements in schools and also in the forthcoming ICT re-provision for Education Culture and Sports Service (ECS) in general.</p>	<p>The review of ICT Curriculum needs will be fully scoped as part of the forthcoming re-provision of ICT and commencement of new ICT contract. ECS will specifically second a member of staff into the re-provision team to ensure the correct level of representation</p>	Head of Resources, ECS	01/04/15
3.2.3	Medium	<p><u>Filters and User Groups</u></p> <p>Some education staff reported problems with the filter when the server is unable to deploy the appropriate profile for a pupil or staff. Staff have a higher level of permission and if the server is unable</p>	<p>The process for defining users and ensuring they receive the correct access to education and learning sites should be monitored closely by ECS and ICT Services to ensure they meet education requirements.</p>	<p>Review current Curriculum filtering policies to ensure they meet the needs of teaching staff</p>	ICT Service Delivery Manager	30/04/14

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		<p>to detect the user's profile for example, it defaults to the minimum level of filtering. This follows best practice in the Information Security Management standard ISO27001, but denies teachers' appropriate access until this is corrected.</p> <p>An incident reported pupils' access settings being over-restricted which disallowed them from submitting their answers to an online test. The proxy server filter blocked pupils' access to a third party site required to complete this, whereas the teacher could access the site without any difficulty.</p>	<p>If there are intermittent issues creating changes to user group settings and access at proxy server level, these should be investigated and resolved in good time to ensure teachers and pupils can access internet sites needed for their work.</p>	<p>Standing agenda item at the monthly service review board between the Council and Fujitsu with specific regard to escalated curriculum access issues</p>	<p>ICT Operations Manager</p>	<p>complete 01/11/13</p>
3.2.4	Medium	<p><u>Filters and access to sites</u></p> <p>Some secondary Head Teachers reported delays in filtering requests being actioned which affected teachers being able to complete their work. The filter policy was reported as too restrictive in subjects like Computing Science where students are encouraged to use the web for research and download media assets as part of the course. A solution for this, using Guest Wireless Access with the latest Council approved wireless solution, was being rolled out across schools</p>	<p>a) Response times to requests by schools should be reviewed and managed closely and any unaccountable delays brought up at the weekly service delivery meeting of designated ECS officers and Fujitsu to ensure they meet learning requirements promptly and course work is not compromised by target dates not being met.</p> <p>b) It would be helpful if teaching staff are regularly made aware of the ICT service delivery process and advised on how to escalate a call if there has</p>	<p>a) New standing agenda item to be added to the weekly meeting between ICT Services and ECS established as from 01/11/13.</p> <p>b) Updated training/awareness to be provided to teaching staff of the ICT Processes including</p>	<p>ICT Operations Manager/ ICT Curriculum Liaison Manager</p> <p>ICT Curriculum Liaison Manager</p>	<p>complete 01/11/13</p> <p>31/03/14</p>

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		during the review but not yet completed. The ICT Portal provides advice plus Training and User Guides on how to log a request for service or log an incident, but this does not include advice on how to escalate any requests that have not been responded to or resolved. Weekly service delivery meetings between ECS officers and Fujitsu users provide a forum for managing any service delivery queries.	been no response or an unexplained delay, for example in the curriculum ICT newsletters which are a useful means of communication. c) Teaching staff should be encouraged to log requests for any filter changes required in good time.	escalations and how to log requests c) Included in the action b) above		
3.2.5	Medium	<u>Access to the internet at establishments</u> Access to the internet service varied across sites surveyed in the review, including school residences. There is a variety of network build across Highland curriculum sites. ICT Service is assurance testing device build across Council sites, including tests on internet security filter settings for teachers and pupil logins.	The ICT Service assurance testing review referred to in 3.2.1 can provide useful indicators of variations across sites, therefore it is recommended that any curriculum establishments found to have significant variations from expected standards during testing are followed up to provide consistency of service.	ICT Services and ECS to ensure follow ups are undertaken where there are significant variations from expected standards established as from 01/11/13	ICT Service Delivery Manager/ ICT Curriculum Liaison Manager	complete 01/11/13
3.4.2	Medium	<u>Automated alerts</u> Automated alerts were found for the filter software management process, but no evidence was found to confirm	It would be helpful if the automated alerts run by Fujitsu were reviewed by ICT and ECS Services officers and	Automated alerts for ECS to be reviewed by ECS and ICT Services at the weekly	ICT Service Delivery Manager/ICT	01/12/13

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		these alerts met ECS Service requirements and definitions of risk.	agreed for specific risk areas for curriculum users.	service review meetings	Curriculum Liaison Manager	
3.4.3	Medium	<p><u>Reporting and managing incidents</u></p> <p>Head Teachers do not have direct access to reporting alerts of security incidents at their school, but are responsible for pupil and staff security on site. Designated ICT Service Officers can run reports as required through the governance process.</p> <p>As in 3.2.4 above, weekly service delivery meetings between ECS officers and Fujitsu provide a regular forum for managing any service delivery queries</p>	<p>ICT and ECS Services should ensure the needs of teaching staff for incident management in schools are being met and resolved in good time with an escalation procedure available to users as required.</p> <p>Requests by secondary schools in particular should be monitored.</p> <p>As in 3.2.4 above, any unaccountable delays can be brought up at the weekly service delivery meetings to ensure they meet learning requirements promptly.</p>	Action for 3.4.3 is included in the actions for 3.2.4 above – that is, a new standing agenda item to be added to the weekly meeting between ICT Services and ECS established as from 01/11/13	ICT Operations Manager/ ICT	complete 01/11/13
3.4.4	Medium	<p><u>Monitoring of Usage</u></p> <p>Legal advice was being included in the review of new software tools for alerting potential areas of concern, for example, risks of cyber-bullying. The Council has vicarious liability as an employer by providing the curriculum internet Service to Teachers</p>	A Legal Services contact should remain on the circulation list for matters relating internet use and application of software tools for monitoring usage as compliance to legislation is important	ICT Services to ensure that legal services continue to be included on circulation lists for matters relating to curriculum software tools for monitoring is continuing	ICT Service Delivery Manager	complete 01/11/13