

AUDIT REPORT 24'025**FORRES ACADEMY****Executive Summary**

The annual Internal Audit plan for 2023/24 provides for a review of a secondary school within Education Services. This audit details the findings from the review undertaken of Forres Academy as part of a rolling programme of visits planned for all secondary schools.

The scope of this audit was to review the Devolved School Management Scheme in terms of funding allocation and management at the school level. Consideration was given to how budgets are affected by National, Council, and School priorities.

In addition to undertaking an overview of how the School develops, monitors and controls its £5.1 million budget, the audit involved a study of the management of the staffing costs involved in delivering the curriculum. The audit checked that non payroll expenditure complied with Financial Regulations and Procurement Guidelines. A review was also undertaken to ensure appropriate accounting arrangements are followed when managing School Fund monies in accordance with the School Fund Regulations. This report sets out the work undertaken in relation to the 2023/24 financial year.

The audit was carried out in accordance with the Public Sector Internal Audit Standards (PSIAS).

The review found that within the scope of the audit that Forres Academy was well managed and had a good appreciation of policies, procedures, and financial management processes. However, consideration should be given to the following: -

- It was noted that an independent accountant prepares the School Fund annual accounts. It is appreciated that preparation of the annual accounts requires the accountant to have an understanding of School Fund transactions. However, the accountant details that the preparation of the annual accounts does not include any auditing certification. In accordance with the School Fund Regulations, annual accounts must be independently audited. Further clarification of the role of the appointed accountant to the School Fund should be undertaken, or an Auditor must be appointed to certify the annual accounts.
- The School was found to have a good awareness of the need to ensure effective arrangements to protect and restrict access to confidential information to only authorised officers. It was noted that information is held on mobile storage devices and stored securely within a secure location. However, there are recognised security risks with mobile devices. Consideration should be given to using the Council network for storing information where user access can be restricted.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

Risk Ratings for Recommendations		
High	Medium	Low
Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Less critically important controls absent, not being operated as designed or could be improved.	Lower level controls absent, not being operated as designed or could be improved.
0	3	0

Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
Key Control: School Funds are administered in compliance with the School Fund Regulations.						
5.01	Current auditing arrangements of the School Fund should be clarified, and in accordance with the School Fund Regulations, an auditor appointed.	Medium	Yes	Meeting to be held with the School Fund Accountant to make arrangements for the accounts to be audited going forward.	Head Teacher	31/08/2024
5.02	A full reconciliation between the cashbook and bank statements should be undertaken every month, and evidence retained.	Medium	Yes	School Fund reconciliation procedures have now been amended to ensure full reconciliation takes place.	School Support Co-Ordinator	Implemented

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Effective information management controls are operating in the use of ICT systems at the School.						
5.03	Investigation should be undertaken into using the Council network for saving confidential information, rather than within mobile storage devices.	Medium	Yes	A review of information currently held on mobile storage devices is being conducted with a view to storing any confidential or information using the Council network.	School Support Co-Ordinator	31/08/2024