

**AUDIT REPORT 19'012**

**SUPPLY TEACHERS - PAYROLL COSTS**

**EXECUTIVE SUMMARY**

The annual Internal Audit plan for 2017/18 provided for an audit to be undertaken of selected payroll costs. Central supply cover payroll costs were reviewed.

Central Education meet the costs of providing supply cover for a range of teaching staff absences, principally for staff sickness exceeding 10 working days (3 days for SEN teachers), as well as cover for maternity and paternity leave, and union duties. The budget also meets the cost of excess staffing, where teachers are supernumerary in terms of the DSM formula but under agreed terms and conditions cannot be transferred to another school. The total budget of £1.1m (£1.1m 2017/18) made available for central supply cover equated to 77% of total supply teacher cover in the overall education budget. The remaining balance is allocated to individual schools based on the DSM formula to cover other absences.

The scope of the audit was to review these costs for the financial year 17/18 and beginning of 18/19. The audit established the control mechanisms for administering the budget, reviewed the reporting and management framework and considered internal guidance and policy.

In terms of administering the budget, access to this additional funding is pre-authorised by the Business Support Team Manager following consideration of a form s55, which is submitted by each school requiring payment for supply cover. Supply teacher spend is then charged, via time sheet, to the central supply cover budget. The budget is monitored at a top (summary) level and 6-monthly meetings are held with Accountancy to evaluate spend and plan the following year's budget.

The audit found that the administration of the budget was working as intended with schools completing s55 forms and submitting timesheets accordingly, although in some cases the approval form reference number was not annotated on the corresponding timesheet to aid checking of approvals. Also from the timesheets sampled there were variations in approaches taken by schools in terms of what might trigger a claim for supply cover, e.g. availability of suitable supply cover, absence period near to holiday dates.

While accepting the principle that some supply cover is unavoidable, a review of the policy on provision of this cover has been recommended to assess whether there are efficiencies that could be achieved in this area. Accountancy is already looking at ways of providing more detailed management information on this category of spend to ensure data is available on which to base any policy review.

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## Internal Audit Section

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### Recommendations: Supply Teachers – Payroll Costs

Risk Ratings for Recommendations						
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.		<b>Low</b>	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
<b>Key Control:</b> Establish the monitoring and reporting of the central supply cover budget.						
6.1	More detail should be extracted for budget monitoring. Whilst it has been noted that knowledge of spend is gathered at the s55 sign off stage, it would help to have a more formalised budget monitoring process that allows for great analysis and evaluation.	Medium	Yes	Understand the requirement to be able to analyse any supply budget spend but when the S55 is signed it allocates up to 6 months for example for full pay. There is currently no follow up process to review how many days were actually required. Actual use of the S55 budget code	Business Support Team Manager	1 July 2019

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No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				would have to be collated at school level.		
<b>2.2</b>	Should progress be made towards securing submission of completed s55 forms electronically the opportunity should be taken to evaluate how data therein could be extracted for analysis and evaluation.	Medium	Yes	Agreed that the only way to make the process more secure and reduce any ability to misuse would be to manage it electronically	Business Support Team Manager	1 July 2019
<b>Key Control:</b> Establish any internal policies and guidance documents.						
<b>3.1</b>	An updated policy or guidance should be prepared to provide clarity and consistency on the	Medium	Yes	Recognised the need to update procedures given	Business Support Team Manager	1 July 2019

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<b>No.</b>	<b>Audit Recommendation</b>	<b>Priority</b>	<b>Accepted (Yes/ No)</b>	<b>Comments</b>	<b>Responsible Officer</b>	<b>Timescale for Implementation</b>
	operation of the central supply cover scheme, taking into account changes necessary to ensure it remains fit for purpose both from an educational and cost perspective.			the constant movement of staff and the requirement for admin staff to cover a variety of admin functions across the Business Support Team.		